Detailed Business Plan Section Checklist

Charter Holder: StarShine Academy (Entity ID 85807)

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

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

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

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

○ Renewal Budget Plan includes average daily membership (ADM) used in each fiscal year and the basis for projected ADM.	X			The Renewal Budget Plan includes the projected ADM for each fiscal year. For fiscal year 2013, the charter holder has built its projections based on ADM growth of more than 450% (approximately 575 ADM) from fiscal year 2012. From fiscal year 2013 to fiscal year 2014, the charter holder anticipates an increase of an additional 100 ADM (14%). The Renewal Budget Plan attributes the ADM growth in fiscal year 2013 to a move to two new campuses "each with a capacity of in excess of 400 students per campus". The Renewal Budget Plan reflects an approximately $10,000 increase in the advertising/marketing line item from fiscal year 2011 to fiscal year 2012 "due to increased marketing required to populate 2 new campuses for 2013". Beginning in January 2012, the charter holder moved one of its campuses into its new location. The performance management plan narrative states, "During the move, nearly 100% of the existing students continued with StarShine in the new facility and an additional 35 students enrolled during January, demonstrating the desire for neighborhood families to have their children attend StarShine schools." According to Arizona Department of Education reports, as of April 16, 2012, the charter holder's ADM was 124.218. The charter holder's current enrollment cap is 366. 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		The Renewal Budget Plan does not include the basis for the projected amounts included in the "Earnings on Investments" line item.
○ 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		It is not readily clear whether the charter holder has the financial capacity to implement its performance management plan (PMP). The charter holder has indicated that the cost to implement its PMP will be $339,204 in fiscal year 2013 and $290,650 in fiscal year 2014. To the extent that the charter holder realizes its projected increase in ADM to 700 in fiscal year 2013 and to 800 in fiscal year 2014, the charter holder could generate sufficient equalization to be able to implement its PMP.
○ 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 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)	5	2	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: April 20, 2012