Detailed Business Plan Section Checklist

Charter Holder: Tucson Preparatory School (Entity ID 6374)

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			Please note that according to reports available through the Arizona Department of Education's website, the charter holder's fiscal year 2012 100th day ADM as of August 1, 2012 was 152.56. As of August 16, 2012, the charter holder's fiscal year 2013 estimated count is 165. The charter holder's current enrollment cap is 165.
○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used.		X		Assumptions not provided for the drop in the "Earnings on Investments" line item from fiscal year 2011 to fiscal year 2012.
○ 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 holder, the total expenses associated with the performance management plan for fiscal years 2013 and 2014 are $73,300 and $50,800, respectively. Although the charter holder projects its expenses to exceed revenues in both fiscal years 2013 and 2014, the charter holder's fiscal year 2011 audit indicated that the charter holder had approximately 53 days of unrestricted cash. Additionally, the charter holder's last two audits reflect positive cash flow in each year.

○ Renewal Budget Plan is mathematically correct.		X		Accounting for rounding issues, the "Total Revenue", "Total Expenses" and "Increase (Decrease) in Net Assets" section are mathematically correct. The fiscal year 2013 ending net assets dollar amount was not the amount included in the fiscal year 2014 beginning net assets. Using the $695,217 from fiscal year 2013, the ending net assets for fiscal year 2014 should be $613,869.
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: August 31, 2012