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**AGENDA ITEM: Status Update – Fiscal Year 2016 Audit Reporting Packages****Issue**

Due to issues that arose during the Arizona Department of Education's (ADE) transition to a new student data system in fiscal year 2016, the Board approved a motion at its November 21, 2016 meeting requiring certain charter holders to either submit their audits by the December Board meeting or report back to the Board on the status of their audits.

**Background**

At its November Board meeting, the Board considered those charter holders that had not yet submitted their fiscal year 2016 audit reporting packages, which were due on November 15. During the meeting, the Board received information regarding ADE's transition to a new student data system in fiscal year 2016 and issues that arose during that transition. Typically, the Board votes to withhold funds from charter holders that fail to timely submit their audits. Due to the issues that arose during the transition and because four charter holders had filed requests with ADE to revise their attendance data, the Board made an exception.

According to the Board's motion, the following charter holders were required to either submit their audits by the December Board meeting or report back to the Board on the status of their audits:

- Ahwatukee Foothills Prep Early College High School, Inc.
- Career Development, Incorporated
- Phoenix Advantage Charter School, Inc.

For the fourth charter holder, Life Skills Center of Arizona, Inc., the Board's motion indicated that if the audit was not submitted by the December Board meeting that this charter holder would be on the agenda for the same action that the charter holder was on the agenda for in November.

Life Skills Center of Arizona, Inc. submitted a complete audit reporting package on November 21 and, therefore, is not included on the December agenda. In emails sent on November 23, the other three charter holders were notified of the action taken by the Board and the timeframe for posting the December agenda and meeting materials. The email further indicated that if the charter holder is included on the December agenda, the charter holder should have a representative in attendance at the December 12 meeting.

Prior to the December Board meeting, Board staff will contact ADE for the status of the requests to revise attendance data filed with ADE by the three charter holders.