
AGENDA ITEM: Compliance Matters – Annual Financial Reports

Issue

The charter holders listed below failed to timely submit their fiscal year 2013 Annual Financial Reports, which were due to the Arizona Department of Education (ADE) on October 15, 2013:

- Allsport Academy
- George Gervin Youth Center, Inc.

General Background – Annual Financial Report

[A.R.S. §15-183.E6](#) requires charter schools to follow the same financial and electronic data submission requirements as school districts. Accordingly, each school district and charter holder must submit an Annual Financial Report (AFR) by October 15th of each year in a format prescribed by both the Office of the Auditor General and ADE. The information collected in the AFR becomes the basis of the Superintendent of Public Instruction's Annual Report that is submitted to the Legislature each year.

Background Information Specific to Charter Holders Listed on the Agenda

Based on information provided by ADE, Board staff sent an email on October 22, 2013 to 17 charter holders that had not yet submitted the fiscal year 2013 AFR. As of the writing of this report, 2 charter holders have not yet submitted the AFR. These charter holders have been grouped on the agenda by the number of consecutive years they have failed to timely submit their AFRs.

Board Options

Option 1: The Board may approve withholding 10% of the charter holder's monthly state aid apportionment. Staff recommends the following language for consideration: I move to find {INSERT CHARTER HOLDER NAMES} are in noncompliance with state law and their charter contracts for their failure to timely submit the Annual Financial Report and approve withholding 10% of each charter holder's monthly state aid apportionment until the fiscal year 2013 AFR is submitted to ADE.

Option 2: The Board may decide to take no action at this time.