

**Arizona State Board for Charter Schools
On-going Board Actions as of February 2, 2009**

Withholding

School Name	Date of Board Action	Violation	Amount of Withholding	Notes	Status of Corrective Action Plan	Date issue, if unresolved, will come back before the Board
4-Winds Academy, Inc.	11/27/07	Failure to comply with payroll tax requirements.	10%		N/A	5/12/08
	05/12/08			Board issued Notice of Intent to Revoke on 5/12/08		N/A
	06/09/08	Failure to comply with federal accounting and reporting requirements for NCLB funds.		Board added to the basis for 10% withholding and the Notice of Intent to Revoke.		N/A
	11/21/08	Failure to timely submit FY08 audit.		Board added to basis for 10% withholding.		
Academy of Arizona	11/21/08	Failure to timely submit FY08 audit.	10%			
CASY Country Day School	7/28/08	Failure to comply with payroll tax requirements (IRS)	10%	8/26/08 Staff requested an update from school's tax attorney. No information received to date. In communication with the school's tax attorney, he shared that the IRS Revenue Officer granted an extension to September 19, 2008 to hash out the projected profit and loss to see exactly what CASY's ability to pay is. He hoped		January 2009

Withholding

School Name	Date of Board Action	Violation	Amount of Withholding	Notes	Status of Corrective Action Plan	Date issue, if unresolved, will come back before the Board
	10/6/08	The Board added to the basis for the 10% withholding for failing to remain current with its member and employer contribution obligations to the Arizona State Retirement System		negotiations for repayment terms would begin on September 19, 2008. CAP to include becoming current with ASRS obligations and providing a system and schedule for timely meeting its member and employer contribution obligations to ASRS.	11/4/08 ASRS requested action be taken to deduct \$34,665.59 from the school's monthly equalization 1/09 IRS issued a levy on equalization payments.	
E.A.G.L.E. Academy	11/21/08	Failure to timely submit FY08 audit.	10%			
Vechij Himdag Alternative School, Inc.	11/21/08	Failure to timely submit FY08 audit.	10%			

Civil Penalties

School Name	Date of Board Action	Violation	Amount of Withholding	Date Appeal Timeframe Expires	Status of Corrective Action Plan

Schools Under a Notice of Intent to Revoke

School Name	Date of Board Action	Alleged Violation	Date of Revocation Hearing/Orders	Status
				<p>10/6/08.</p> <p>Appeal time runs as of November 17, 2008</p> <p>11/12/08 School filed a Complaint for an Appeal of the Board's decision in Superior Court. Board filed response to complaint on 12/05/08.</p>

Failing Schools

School Name	Date of Board Action	Violation	Hearing Information	Status

Consent/Settlement Agreements that are being monitored

School Name	Date of Board Action	Terms	Status of compliance with Terms
<p>Aztlan Academy, Inc.</p> <p style="text-align: center;">&</p> <p>Cesar Chavez Middle School, Inc.</p> <p>Now operating as Cesar Chavez Learning Community, Inc.</p>	<p>5/9/05</p>	<p>Consolidation:</p> <ul style="list-style-type: none"> • Aztlan and Cesar Chavez Charter Schools shall consolidate under one contract beginning in FY 2006-2007. • The Charter Operators shall take all steps necessary to ensure that the consolidation does not violate any terms or conditions of any federal or state grants received. If it is learned that consolidation could conflict with an existing grant the school shall notify the Board in writing and provide supporting documentation by March 1, 2006. <p>AIMS:</p> <ul style="list-style-type: none"> • School shall comply with law & contract and shall administer the writing, reading, and mathematics subtest of AIMS to all eligible HS students. • School shall designate an AIMS Test Coordinator who will be listed as such with the ADE. • School shall forward all mail & e-mail communications from the ADE regarding testing to the Test Coordinator. • AIMS Test Coordinator will create and maintain a log of AIMS correspondence & documents received from ADE. • School shall incorporate the AIMS testing dates 	<p>Follow-up CONSOLIDATION COMPLETE 7/11/05.</p> <p>The Charters consolidated into one charter, Cesar Chavez Learning Community, Inc.. The Consolidation Agreement was accepted by the Board on 7/11/05.</p> <p>Staff will work with ADE as well as other sources to determine if testing breaches occur after each testing cycle.</p> <p>Staff will review ADE website to ensure Test Coordinator is listed on or before December 1, 2005.</p> <p>Staff can review log upon request. A site visit will be conducted in school year 2005-06.</p> <p>Staff can review the calendar upon request. A site visit</p>

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		<p>into the school calendar and provide a copy to the parents within 5 days of first day of instruction.</p> <ul style="list-style-type: none"> • School shall ensure that at least one of its representatives attends all mandated test administration workshops provided by the ADE. • School shall ensure that its designated AIMS Test Coordinator provides information and training to staff in order to ensure proper & timely test administration. • School shall schedule at least one staff in-service meeting prior to each AIMS test administration date to conduct training. • School shall calendar and document the completion of this training <p>Comprehensive Program of Instruction:</p> <ul style="list-style-type: none"> • School shall schedule at least one staff in-service prior to the beginning of the school year to conduct training to ensure that all teachers have a copy of the latest version of the Academic Standards and understand their use and application at the School. The School shall calendar and document the completion of this meeting. • School shall develop a curriculum map for core content areas that encapsulate the content, skills & assessments taught or administered. • School shall incorporate citations of the Arizona Academic Standards into their lesson plans, assessments, rubrics, and curriculum map. • School shall have clear and irrefutable evidence that students have demonstrated an increase in their academic performance on state standards from one to three years in reading, writing, and math in a single academic year. Evidence will be available by July 15 of each year. • School shall adopt assessments in reading, writing, and math that demonstrate alignment to 	<p>will be conducted in school year 2005-06.</p> <p>Staff will work with ADE to determine individuals registered for test workshops. Will be confirmed after each series of workshops are conducted in the fall and spring.</p> <p>Staff has verified that the school was represented at the fall 2005 workshop.</p> <p>Staff can review calendar to ensure compliance upon site visit or request.</p> <p>Staff may review curriculum map upon site visit or request.</p> <p>Staff may review lesson plans, assessments, rubrics, & curriculum map upon request.</p> <p>Staff will request the evidence by July 15th of each year. Staff will evaluate student performance to determine if the conditions outlines are met.</p> <p>Staff may request evidence of pre and post test results within 30 days of the start and end of the school year.</p>

Consent/Settlement Agreements that are being monitored

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		<p>the Arizona Academic Standards and use this assessment to pre and post test all students each year. Written evidence of pre-test procedures will be available by the first day the school is in session each year. Evidence of pre and post test results will be available within 30 days of the start and end of each school year respectively.</p> <ul style="list-style-type: none"> • School will utilize a portfolio assessment for each student that documents student progress in reading, writing, and math. The portfolio will include, at a minimum, student attendance data, teacher observations, interviews, surveys, work samples, and tests. The portfolio will signal where instruction needs strengthening. The portfolio assessment will be systematic in that the observations that are noted and the student products that are included relate to the Arizona Academic Standards. Evidence of student progress will be available quarterly. • School will complete a table, provided by the Board, that defines by grade level the course name, the content area offering aligned with Arizona Academic Standards, prerequisites, and the graduation requirement fulfilled. <p>Audit: Schools are willing to exemplify and ensure their compliance with their charter contract and shall timely submit their annual financial statement audit and questionnaire for the fiscal year ending June 30, 2005 by or before November 15, 2005.</p>	<p>Staff may request evidence of student portfolio progress quarterly.</p> <p>Staff will provide table to be completed by the School. Completed.</p> <p>Staff will monitor and track timely submission of the audit annually. *A 2005 audit was submitted timely.</p> <p>Staff sent the school a letter on 11/8/05 reminding them to prepare for a visit.</p> <p>Staff sent a letter to the school on 4/13/06 requesting documentation consistent with the monitoring of the consent agreement. The school has until 5/8/06 to provide a response.</p> <p>The school submitted documentation on 5/8/06. Staff have been in contact with the school to acquire additional information. Additional follow-up will be gathered on a site visit.</p>

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			<p>Staff conducted a site visit on August 10, 2006 to review the schools progress toward satisfying the components of the Consent Agreement. The school satisfied 15 of 19 of the components of the Agreement and shared the progress made and plans for further development in the four outstanding areas. Additional documentation has been requested with timeframes for submission. Staff will continue to monitor the school's progress.</p> <p>Staff continues to develop timelines and seek documentation from the school to determine compliance with the Consent Agreement.</p> <p>March 27, 2007 staff reviewed Solutions Team Statement of Findings and Priority Recommendations for consistency with outstanding Consent Agreement items. Letter sent to school requesting follow-up information.</p> <p>April 11, 2007, School provided additional alignment information that is being reviewed by staff.</p> <p>April 28, 2008 Staff visited the school and will follow-up by continuing to monitor the school's academic progress as demonstrated through AIMS test scores and ADE Solutions Team Assist Coach correspondence.</p>
<p>Bradley Academy of Excellence, Inc.</p>	<p>7/14/08</p>	<p>Federal Payroll Taxes</p> <ul style="list-style-type: none"> • Charter Operator agrees to comply with terms of its installment agreement with IRS to pay its overdue payroll taxes. On or before the 30th day of each month, beginning June 2008 and continuing until paid in full, the Charter Operator agrees to provide evidence to the Board that the Charter Operator made the required monthly payments under its installment agreement with the IRS. • Charter Operator agrees to remain current in its monthly employer's federal tax deposits for the current fiscal year and for all subsequent fiscal years 	<p>Federal Payroll Taxes</p> <p>On May 19th, Charter Operator provided proof that first payment (May) was made to IRS.</p> <p>On June 19th, Charter Operator provided proof that June payment was made to IRS.</p> <p>On July 18th, Charter Operator provided proof that July payment was made to IRS.</p> <p>On August 20th, Charter Operator provided proof that August payment was made to IRS.</p>

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		<p>of its operations.</p> <ul style="list-style-type: none"> • Charter Operator agrees to notify the Board within 15 days if the Charter Operator terminates services with its current payroll processing vendor and hires a new vendor or decides to bring the payroll processing function back in-house. <p>Annual Audit</p> <ul style="list-style-type: none"> • Charter Operator agrees to submit its annual financial statement audit and legal compliance questionnaire for fiscal year ending June 30, 2008 by November 15, 2008. • Charter Operator agrees to submit its annual financial statement audit and legal compliance questionnaire for all subsequent fiscal years of its operation by November 15 of the following fiscal year. <p>Grant Completion Reports</p> <ul style="list-style-type: none"> • Charter Operator agrees to submit completion reports for all federal funds received for the fiscal year ending June 30, 2008 to ADE by the due date of September 30, 2008. • Charter Operator agrees to submit completion reports for all federal funds received in all subsequent fiscal years of its operation by the due date of September 30 of the following fiscal year. 	<p>On September 18th, Charter Operator provided proof that September payment was made to IRS.</p> <p>On October 21st, staff received an email indicating that the school had submitted paperwork to the IRS on 9/17/08 requesting a reduction of the current monthly payment to either \$5,000 or \$10,000 per month. Since neither Bradley nor its consultant received any response to this request prior to the morning of October 20th, a payment of \$5,000 was delivered to the IRS on October 20th (proof was provided to staff). Late in the afternoon on October 20th, the consultant received a call from the IRS requesting that Bradley pay \$10,000 instead of \$5,000. Bradley was given a deadline of November 7th to pay the additional \$5,000. Subsequent monthly payments of \$10,000 are to be made on the 20th of the month beginning in November.</p> <p>On October 22nd, staff requested and received copies of the paperwork submitted to the IRS on 9/17/08 requesting the monthly payment reduction. Additionally, Bradley indicated that it will request written confirmation of the new payment plan and provide this to staff.</p> <p>On November 6th, the Charter Operator provided proof that Bradley paid the additional \$5,000 requested by the IRS. This \$5,000 and the earlier \$5,000 cover the \$10,000 October payment. Staff was also informed that the Revenue Officer is working with her IRS Manager to develop written notification of the new payment plan.</p> <p>On November 20th, the Charter Operator provided proof that the November payment of \$10,000 was made to the IRS.</p> <p>On December 12th, the Charter Operator provided staff with copy of new IRS approved payment plan, which</p>

Consent/Settlement Agreements that are being monitored

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			<p>requires payments of \$10,000/month until remaining amount is paid in full.</p> <p>On December 19th, the Charter Operator provided proof that the December payment of \$10,000 was made to the IRS.</p> <p>On January 15th, the Charter Operator provided proof that the January payment of \$10,000 was made to the IRS.</p> <p>Annual Audit The fiscal year 2008 audit was timely submitted.</p> <p>Grant Completion Reports School submitted its fiscal year 2008 completion report on September 16, 2008.</p>
<p>Kachina Country Day</p>	<p>Board will monitor compliance with the Stipulation and Agreement</p>	<p>The Attorney General's Office and Kachina have agreed to a Stipulation and Agreement that sets forth the following that will be monitored by the Board over the course of the next five years:</p> <ol style="list-style-type: none"> 1. The school will annually certify compliance with Open Meeting Law for a period of 5 years. 2. Specified personnel of the school will be trained on Open Meeting Law. 3. The school will hire a compliance officer for one year that will attend meetings and report to the Board. 	<p>The Board was made aware of the open meeting law issues at the 4/12/04 meeting. The Board agreed to monitor the school in accordance with a potential consent agreement drawn up by the Attorney General's Open Meeting Law Enforcement Team.</p> <p>The Board received certification on June 11, 2004 from the school that they have retained a Compliance Officer that began service on July 21, 2004 and will be retained for one year.</p> <p>On July 16, 2004 the Board received notification that the Kachina Board and employees responsible for minutes, notices and agenda items were trained on Open Meeting Law on July 15, 2004.</p> <p>On March 10, 2005, received a fax copy of the Annual Certification of Compliance with Open Meeting Law.</p> <p>On July 5, 2005 the Board received a letter of compliance with open meeting law from Miller LaSota & Peters, the firm retained to act as Kachina's Open Meeting Law</p>

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			<p>compliance officer.</p> <p>On 7/17/06 the school submitted its Annual Certification of Compliance with Open Meeting Law.</p> <p>On 7/16/07 the school submitted its Annual Certification of Compliance with Open Meeting Law.</p>

Status of Board Requested Reports/Site Visits

School Name	Date of Board Action	Board Request of School/Staff	Status of compliance with request
CASY Country Day School	3/10/08	<p>Request for school to provide additional information regarding financial commitments for FY 07 and 08, lease agreements and financial commitments for FY 09, a forecast for operations in FY 09 including support documents for FY 09 enrollment.</p> <p>In a letter dated March 27, 2008, staff requested that the school provide by April 18, 2008 or a date mutually agreed upon, a compilation of full disclosure, GAAP financial statements with a supplemental schedule of lease commitments by individual lease for the period from July 1, 2007 through February 29, 2008 prepared by a certified public accountant.</p> <p>By April 18, 2008, a facility development plan for the relocation of the CASY South Valley campus, component specified in March 27, 2008 letter. School is to provide updates on progress in implementing a school facility development plan by May 30, 2008 and June 30, 2008.</p> <p>By June 30, 2008, school must provide details related to school closure as outlined in March 27, 2008 letter.</p> <p>No later than 5 days after the ADE-established deadline for upload of charter estimated counts for the July 15th</p>	<p>On April 7, 2008, staff received and rejected engagement letter for compilation. Written notification provided to school and certified public accountant.</p> <p>On April 9, 2008, staff received and approved engagement letter for compilation. Engagement letter stated compilation would be completed and submitted to Board by April 18, 2008.</p> <p>On April 18, 2008, staff received facility development plan from school. School's cover letter indicates that the compilation has not been completed and expects to have it completed by April 25, 2008.</p> <p>Auditor is providing staff with updates regarding progress of completion of compilation.</p> <p>May 14, 2008, staff received the compilation report which is being reviewed by staff.</p> <p>On June 6, 2008, staff received progress update on the school facility development plan that was due May 30, 2008.</p> <p>On June 30, 2008, staff received progress update on the</p>

		<p>payment, school is to provide a copy of the enrollment form for each student enrolled and included in estimated enrollment for CASY South Valley campus.</p> <p>On June 13, 2008, staff notified CASY Country Day School of the Board's discussion at its June 9, 2008 meeting and requested the following information to be submitted by June 30, 2008:</p> <ol style="list-style-type: none"> 1. Written confirmation from the appropriate vendors that they will be able to meet the building delivery and building completion dates included by the Charter Operator in the June 6th facility development plan update. 2. The name and contact information for the City of Phoenix engineer assigned to work with CASY to help ensure the project is completed on schedule and referenced in the April 18th facility development plan. 3. Written confirmation from the State Fire Marshal's Office as to its ability to complete the necessary inspections within the timeframe outlined in the June 6th facility development plan update. 4. Status of an approved payment plan with the IRS. 5. Since the IRS issued a Notice of Federal Tax Lien on April 9, 2008, for the tax period ending December 31, 2007, please include in the response proof that the Charter Operator is current with submitting all payroll taxes for fiscal year 2008. <p>On July 1, 2008, a follow-up letter was sent to the school regarding the items submitted on June 30, 2008 and the following information was requested by July 7, 2008:</p> <ol style="list-style-type: none"> 1. A revised 2008-2009 academic calendar to reflect the new start date of August 13, 2008. 	<p>school facility development plan, site notification request to close the CASY Country Day School #2, copies of the 2008-2009 enrollment forms for South Valley Academy students and information related to CASY Country Day #1 (this is the remaining information requested in the March 27, 2008 letter).</p>
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		<ol style="list-style-type: none"> 2. The method(s) to be used to notify parents of the later start date. 3. The address for the new campus location 4. A corrected school closure notification request for closure of Casy Country Day School # 2. <p>Additionally, the school was asked to submit by August 8, 2008, a completed site specific change in grades served notification request and required accompanying documents to reduce the grade levels served at CASY Country Day School #1 from K-5 to K-4.</p> <p>Further, on July 1, 2008, the school was granted an extension until July 7, 2008 to provide the information requested in the staff's June 13, 2008 letter.</p> <p>In communication with the school's tax attorney, he shared that the IRS Revenue Officer granted an extension to September 19, 2008 to hash out the projected profit and loss to see exactly what CASY's ability to pay is. He hoped negotiations for repayment terms would begin on September 19, 2008 as well.</p>	<p>On July 31, 2008, CASY provided the notification request and accompanying documents to reduce the grade levels served at CASY Country Day School #1 from K-5 to K-4.</p> <p>School opened in temporary location. Current enrollment at South Valley site is approximately 44 students.</p> <p>South Valley campus was visited on August 28, 2008 with 24 students in attendance. School staff is making adjustments to provide multiage instruction in 2 classrooms</p>
<p>Phoenix Advantage Charter School, Inc.</p>	<p>5/12/08</p>	<p>Board instructed staff for a period not to exceed three years, to monitor the school's compliance with Classroom Site Fund requirements periodically as established between the staff and the school until such time as compliance is demonstrated through the review of a fiscal year audit that demonstrates compliance. The Board specified that the compliance would not be determined through the fiscal year 2008 audit.</p> <p>In a letter dated May 16, 2008, staff requested that the school provide by June 2, 2008: a specific timeline for eliminating the school's CSF carryover from prior years and distributing the "new" CSF allocations received annually going forward; a brief description of how the school plans to use the CSF monies coded to Project 1013; and a schedule indicating when the school</p>	<p>On May 29, 2008, staff received response from school. School requested that compliance reviews be conducted on the status of CSF as of December 31st and June 30th of each year.</p>

		<p>distributes the CSF monies to the teachers.</p> <p>In a letter dated June 13, 2008, the school was notified of the dates established for submitting the monitoring review reports to the Board:</p> <table border="1"> <thead> <tr> <th><u>Period Covered by Report</u></th> <th><u>Report Due Date</u></th> </tr> </thead> <tbody> <tr> <td>07/01/07-06/30/08</td> <td>07/22/08</td> </tr> <tr> <td>07/01/08-12/31/08</td> <td>01/22/09</td> </tr> <tr> <td>07/01/08-06/30/09</td> <td>07/22/09</td> </tr> <tr> <td>07/01/09-12/31/09</td> <td>01/22/10</td> </tr> <tr> <td>07/01/09-06/30/10</td> <td>07/22/10</td> </tr> </tbody> </table>	<u>Period Covered by Report</u>	<u>Report Due Date</u>	07/01/07-06/30/08	07/22/08	07/01/08-12/31/08	01/22/09	07/01/08-06/30/09	07/22/09	07/01/09-12/31/09	01/22/10	07/01/09-06/30/10	07/22/10	<p>PACS' financial office is located at Ahwatukee Foothills Prep (AFP). AFP's roof collapsed in July and flooded the school, which resulted in PACS not having normal access to its records or office functions. PACS was granted an extension until August 15th to provide the July 22nd report.</p> <p>On July 29th, PACS provided the first report. No issues were identified. At this time, PACS "fully expects" the fiscal year 2008 audit to reflect the school's compliance with all Classroom Site Fund requirements.</p> <p>On January 21st, PACS provided the second report. No issues were identified.</p>
<u>Period Covered by Report</u>	<u>Report Due Date</u>														
07/01/07-06/30/08	07/22/08														
07/01/08-12/31/08	01/22/09														
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