

## **4-Winds Academy Incorporated Staff Report**

### **Background Information**

4-Winds Academy Incorporated operates 4-Winds Academy in Springerville. The Board entered into a contract with the charter operator in May of 2002. The school currently serves approximately 42 students in grades K-8. 4-Winds Academy is a Performing school and met AYP or Adequate Yearly Progress.

4-Winds Academy is currently under a notice of intent to revoke its charter contract for failure to comply with federal payroll tax requirements and for failure to comply with federal accounting and reporting requirements for the receipt of No Child Left Behind monies. The revocation hearing before the Administrative Law Judge (ALJ) occurred on January 13<sup>th</sup>. On January 26<sup>th</sup>, the ALJ issued her recommended decision, which will be considered by the Board at its March meeting.

### Audit History

4-Winds Academy's audit submission history for fiscal years 2005 through 2007 follows:

Fiscal Year 2005	Not submitted timely (10% withheld for 6 months. Notice of intent to revoke the charter contract issued for this and other reasons. Board entered into Consent Agreement with school.)
Fiscal Year 2006	Not submitted timely (No withholding occurred)
Fiscal Year 2007	Submitted timely

During the January 13<sup>th</sup> revocation hearing, the auditor indicated that as of that date the audit was approximately 50 percent complete.

### **Identified Issues/Concerns**

Due to the current notice of intent to revoke the charter contract, staff did not conduct a site visit to 4-Winds Academy. The compliance check did not identify any issues outside of those already covered by the current notice of intent to revoke.

### **Board Options**

1. The Board may direct staff to monitor 4-Winds Academy's progress toward submitting its fiscal year 2008 audit and provide additional updates as they become available and continue with the current 10% withholding of 4-Winds' monthly State aid apportionment. If at the Board's March meeting, 4-Winds still has not submitted its fiscal year 2008 audit and the Board would like to consider further action related to the audit, the Board may direct staff to place the charter on its April agenda.
2. The Board may vote to issue another Notice of Intent to Revoke the charter contract of 4-Winds Academy Incorporated for failure to timely submit the fiscal year 2008 audit. The motion should also require that:
  - Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/guardians of registered students of the Notice of Intent to Revoke and the Notice of Hearing and provide a school location where the copy may be reviewed;
  - Within 20 days of receipt of the Notice the charter operator shall provide copies of all correspondence and communications used to comply with the preceding provision; and
  - Within 20 days of receipt of the Notice the charter operator shall provide the Board with the names and mailing addresses of parents/guardians of all students registered with the school.

### Staff's Recommendation

Staff's recommendation is Option #1.