
AGENDA ITEM: Compliance Matters – Annual Financial Reports**Issue**

The charter holders listed on the agenda failed to submit their fiscal year 2018 Annual Financial Reports, which were due to the Arizona Department of Education (“ADE”) on October 15, 2018.

General Background – Annual Financial Report

[A.R.S. §15-183\(E\)\(6\)](#) 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 or 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 Agenda

Based on information provided by ADE, Board staff sent an email on October 18, 2018 to 12 charter holders that had not yet submitted the fiscal year 2018 AFR. As of the writing of this report, 3 charter holders have not yet submitted the fiscal year 2018 AFR. The charter holders on the agenda all submitted the prior year’s AFR on time. Written comments regarding the late fiscal year 2018 AFR provided by charter holders prior to posting have been linked on the agenda.