
AGENDA ITEM: Compliance Matters – Franklin Phonetic Primary School, Inc. (Entity IDs 4495 and 92596)

Issue

At its December 11, 2017 meeting, the Board directed staff to place Franklin Phonetic Primary School, Inc. (Entity ID 4495) and Franklin Phonetic Primary School, Inc. (Entity ID 92596) on the January agenda for possible withholding of funds if their fiscal year 2017 audit reporting packages have not yet been received by the Board. As of the writing of this report, the Franklin Phonetic charters have not submitted their audits to the Board.

Background

At its November meeting, the Board considered those charter holders that had not yet submitted their fiscal year 2017 audit reporting packages, which were due on November 15. During the meeting, the Board received information regarding a ransomware virus that infected the accounting computer used by the Franklin Phonetic charters and the USB backup that was connected to the accounting computer. Typically, the Board votes to withhold funds from charter holders that fail to timely submit their audits, but the Board made an exception based on the circumstances presented by the Franklin Phonetic charters. During the November meeting, the Franklin Phonetic charters indicated the audit firm estimates to complete the audits by December 15, assuming no unusual problems are encountered.

At the December meeting, the representative for the Franklin Phonetic charters indicated the audits were on track for completion by December 15.