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

**Issue**

The charter holders listed on the agenda failed to submit their fiscal year 2019 Annual Financial Reports, which were due to the Arizona Department of Education (“ADE”) on October 15, 2019.

**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 15<sup>th</sup> 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 21, 2019 to 12 charter holders that had not yet submitted the fiscal year 2019 AFR. As of the writing of this report, 2 charter holders have not yet submitted the fiscal year 2019 AFR. These charter holders have been grouped on the agenda by the number of consecutive years they have failed to timely submit their AFRs.

Second Consecutive Year Late

The charter holder listed under “Second Consecutive Year Late” failed to timely submit its AFR for fiscal years 2018 and 2019. Please see the table below.

<b>Charter Holder</b>	<b>Fiscal Year 2018 AFR</b>
Vision Charter School, Inc.	AFR received prior to posting November Board meeting agenda. No Board action taken.