
AGENDA ITEM: Compliance Matters – Annual Financial Single Audits

Issue

The charter holders listed on the agenda have failed to submit their fiscal year 2008 annual financial single audits, which were due to the Board on March 31, 2009.

Annual Financial Single Audit Background

[A.R.S. §15-183.E.6](#) and [A.R.S. §15-914](#) require charter schools to annually submit a financial statement audit and compliance questionnaire. Schools that expend over \$500,000 in federal funds are required to submit a single audit to meet this requirement. The single audit and questionnaire for the fiscal year ending June 30, 2008 were due on March 31st.

Board Options

1. The Board may direct staff to monitor the charter holders' progress in submitting their fiscal year 2008 annual financial single audits and provide additional updates as they become available.
2. The Board may find the charter holders are in noncompliance for their failure to timely submit the annual financial single audit and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2008 annual financial single audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914.
3. The Board may vote to issue a Notice of Intent to Revoke the charter contract of each charter holder for failure to timely submit the fiscal year 2008 annual financial single audit as required by A.R.S. §15-183.E.6, A.R.S. §15-914, and their charter contracts.

Staff's Recommendation

Staff's recommendation is Option #2.