
AGENDA ITEM: Compliance Matters – Annual Financial Single Audits (Agenda Item N1)

Issue

The charter holders listed on the agenda have failed to submit their fiscal year 2012 annual financial single audits and compliance questionnaires, which were due to the Board on or before March 31st.

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, 2012 were due on or before March 31, 2013. Since March 31, 2013 fell on a Sunday, complete fiscal year 2012 single audit reporting packages received by the Board on or before April 1st were considered timely submitted.

Background Information Specific to Charter Holders Listed on Agenda

The charter holders have been grouped on the agenda by the number of consecutive years they have failed to timely submit their annual audits.

Board Options

Option 1: The Board may approve withholding 10% of the charter holders' monthly state aid apportionment. Staff recommends the following language for consideration: I move to find *{INSERT CHARTER HOLDER NAMES}* are in noncompliance with state law and their charter contracts for their failure to timely submit their annual single audit reporting packages and approve withholding 10% of each charter holder's monthly State aid apportionment until a complete fiscal year 2012 single audit reporting package is submitted.

Option 2: The Board may decide to take no action at this time.