

CONCORDIA CHARTER SCHOOL

Mesa, Arizona

FINANCIAL STATEMENTS

Year Ended June 30, 2022



Rob Paull, CPA, PC

Certified Public Accounting Firm

Rob Paull, CPA

Concordia Charter School

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Rob Paull, CPA, PC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Concordia Charter School

We have audited the accompanying financial statements of Concordia Charter School (an Arizona nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concordia Charter School as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Concordia Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Concordia Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Concordia Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Concordia Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of Concordia Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Concordia Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concordia Charter School's internal control over financial reporting and compliance.

Rob Paull, CPA, PC

Phoenix, Arizona
November 14, 2022

Concordia Charter School

Statement of Activities

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
State equalization funds	\$ 964,560	\$ -	\$ 964,560
Other revenue from state sources	7,902	217,654	225,556
Revenue from federal sources	-	177,830	177,830
Revenue from local sources	21,709	8,861	30,570
Net assets released from restrictions			
Assets with purpose restrictions released	<u>559,208</u>	<u>(559,208)</u>	<u>-</u>
Total support and revenue	<u>1,553,379</u>	<u>(154,863)</u>	<u>1,398,516</u>
Expenses			
Program	1,175,619	-	1,175,619
Management and general	192,129	-	192,129
Fundraising	<u>45,455</u>	<u>-</u>	<u>45,455</u>
Total expenses	<u>1,413,203</u>	<u>-</u>	<u>1,413,203</u>
Change in net assets	140,176	(154,863)	(14,687)
Net assets, beginning of year	<u>457,786</u>	<u>174,066</u>	<u>631,852</u>
Net assets, end of year	<u>\$ 597,962</u>	<u>\$ 19,203</u>	<u>\$ 617,165</u>

See accompanying notes and auditor's report.

Concordia Charter School
Statement of Financial Position
June 30, 2022

ASSETS

Current assets

Cash and cash equivalents (including \$19,203 restricted cash)	\$	398,208
Accounts receivable		190
Prepaid expenses		<u>4,191</u>

Total current assets 402,589

Property and equipment, net

234,576

TOTAL ASSETS \$ 637,165

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$	6,518
Accrued expenses		<u>13,482</u>

Total current/total liabilities 20,000

Net Assets

Without donor restrictions		597,962
With donor restrictions		<u>19,203</u>

Total net assets 617,165

TOTAL LIABILITIES AND NET ASSETS \$ 637,165

See accompanying notes and auditor's report.

Concordia Charter School
Statement of Cash Flows
Year Ended June 30, 2022

Cash Flows Provided (Used) by Operating Activities:

Decrease in net assets	\$ (14,687)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	74,239
Changes in assets and liabilities:	
Grants and funds receivable	113,674
Accounts payable	(87,876)
Accrued expenses	7,980
	<u>93,330</u>
Net cash provided by operating activities	<u>93,330</u>

Cash Flows Provided (Used) by Investing Activities:

Purchase of property and equipment	<u>(32,286)</u>
Net cash used by investing activities	<u>(32,286)</u>

Net increase in cash, cash equivalents, and restricted cash 61,044

Cash, cash equivalents, and restricted cash, June 30, 2021 337,164

Cash, cash equivalents, and restricted cash, June 30, 2022 \$ 398,208

See accompanying notes and auditor's report.

Concordia Charter School
Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Program Expenses</u>	<u>Management and General Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Personnel Costs				
Salaries	\$ 734,568	\$ 70,322	\$ 39,078	\$ 843,968
Payroll taxes and benefits	130,975	6,139	4,077	141,191
Total personnel costs	<u>865,543</u>	<u>76,461</u>	<u>43,155</u>	<u>985,159</u>
Depreciation	63,717	9,623	899	74,239
Equipment rental and repair	19,159	2,894	270	22,323
Food service	88,641	-	-	88,641
Miscellaneous	9,055	1,368	128	10,551
Occupancy	54,193	8,185	764	63,142
Professional and technical services	46,423	81,484	-	127,907
Supplies	26,069	12,114	239	38,422
Travel and transportation	2,819	-	-	2,819
Total functional expenses	<u>\$ 1,175,619</u>	<u>\$ 192,129</u>	<u>\$ 45,455</u>	<u>\$ 1,413,203</u>

See auditor's report and accompanying notes.

Concordia Charter School
Notes to Financial Statements
For the Year Ended June 30, 2022

NOTE 1 – NATURE OF OPERATIONS:

Concordia Charter School (the School) is an Arizona non-profit corporation created in February 2004. The mission of the School is to provide families a choice for a high-quality education for their children in a safe, caring and harmonious environment. The School serves kindergarten through sixth grades in Mesa, Arizona, and operates as a charter school under a contract with the Arizona State Board for Charter Schools ("ASBCS"). The current agreement is subject to renewal in 2041 and may be renewed for successive twenty-year time periods if the ASBCS deems that the School is in compliance with its charter and statutory provisions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation

The financial statements use the accrual method of accounting and the presentation follows the recommendations for the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) in FASB ASC 958-205, *Not-for-Profit Entities - Presentation of Financial Statements*. Under FASB ASC 958-205, the School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Revenue recognition

The School recognizes state revenues as earned calculated using a "base support level" determined by the Arizona Department of Education (ADE). The "base support level" is a calculation using student counts as a basis for allocating equalization funds to the School such that the School is funded at an amount approximating the amount which public schools in the same district receive on a per pupil basis. State equalization funds are allocated on a fiscal year that ends June 30 of each year and are paid to the School on a periodic basis throughout the school year. Revenues resulting from students enrolled in federally impacted areas ("impact aid") are recognized when the revenues are received, which is the first date that such revenues can reasonably be estimated. Revenues from grant agreements are recognized when services are provided in accordance with the terms of grant funding applications.

Cash equivalents

For purposes of the statement of cash flows, the School considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants and funds receivable

State equalization funds, grant funds, and unconditional promises to give that are expected to be collected within one year are recorded at net realizable value and recognized as revenue in the period in which the revenue is earned based on student attendance or as the promise is received. Based on the nature and history of uncollectible accounts, the School has not provided an allowance for doubtful accounts.

Property and equipment

Land, buildings and improvements with a cost of \$3,000 or more and computers, furniture and equipment with both a cost of \$1,000 or more and an estimated life of more than one year are capitalized. Assets are stated at cost or fair market value at date of gift, if contributed. Depreciation of furniture, equipment, and building improvements is provided on a straight-line basis over the estimated useful lives of the respective assets, or (for improvements) over the remaining life of the facilities lease if less, ranging from three to ten years. If contributed, assets are stated at their fair market value at the date of gift.

Maintenance and repairs are charged to expense as incurred. The costs of additions and improvements are capitalized and depreciated over the remaining useful lives of the assets. The costs and accumulated depreciation of assets sold or retired are removed from the accounts and any gain or loss is recognized in the year of disposal.

Contributions

The School follows FASB ASC 958 for contributions. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

See auditor's report.

Concordia Charter School
Notes to Financial Statements
For the Year Ended June 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Donated services

A substantial number of volunteers (primarily parents of attending students) have donated many hours of labor to prepare the physical facilities for use as a charter school; however, these donated services are not reflected in the financial statements since the services do not require specialized skills.

Donated goods

A substantial number of educational goods and products are donated to the School. Goods and items donated for School use are recorded as in-kind income at the fair market value of the goods when received. Items donated for benefit of students are recorded as liabilities until distributed to students.

Functional expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are made based on facilities usage or personnel activity. Allocated expenses include salaries, depreciation, insurance, occupancy and professional services.

Advertising

Advertising costs are expensed as incurred. The School incurred advertising expenses of \$11 for the year ended June 30, 2022.

Retirement plan

The School administers and funds a SIMPLE IRA matching program for of up to 3% of total wages for all eligible employees. During the year ended June 30, 2022, the School accrued \$12,162 to match employee IRA contributions.

Income taxes

The School qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The School is not a private foundation. The School has adopted FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For the year ended June 30, 2022, the School had no material uncertain tax positions to be accounted for in the financial statements under the rules, and had no interest or penalties assessed by income taxing authorities. When applicable, interest and penalties are expensed when accrued and are recorded as interest expense and administrative expense, respectively.

Financial liquidity

All of the School's current assets are or are expected to be available within one year of the date of the statement of financial position to meet cash needs for general expenditure except the restricted assets in Note 3.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Additionally, uncertain pandemic responses by government agencies could lead to changes from original estimates.

Subsequent events

The School has evaluated subsequent events through November 14, 2022, which the date that the financial statements were available to be issued.

NOTE 3 – RESTRICTED ASSETS:

Monies received from the state Classroom Site Fund (CSF) are not repayable to the state once disbursed, but are restricted solely for statutorily approved use at school sites under A.R.S. §15-977. At June 30, 2022, the School had a restricted CSF cash balance of \$19,203.

See auditor's report.

Concordia Charter School
Notes to Financial Statements
For the Year Ended June 30, 2022

NOTE 4 – PROPERTY AND EQUIPMENT:

Depreciation expense for the year ended June 30, 2022 was \$74,239. Property and equipment consisted of the following at June 30, 2022:

Equipment	\$	109,865
Leasehold improvements		341,803
Furniture and fixtures		60,824
		512,492
(Less) accumulated depreciation		(277,916)
Property and equipment, net	\$	234,576

NOTE 5 – LINE OF CREDIT:

The School has a revolving credit line of \$13,000 for purchases and \$2,600 for cash and an associated credit card which it uses to pay for operating expenses. At June 30, 2022, the annual interest rate was 17.49% for amounts resulting from purchases not repaid within a single operating cycle. Interest expense accrued on the line of credit during the year was not significant, and the balance at year end is included in accrued expenses.

NOTE 6 – LEASE COMMITMENTS:

Operating lease (Mesa)

The School leases facilities from a church in Mesa, Arizona for classroom and office space and certain utilities. In May 2021, the School renewed its lease with the church through June 30, 2026. The latest lease terms call for monthly payments of \$5,000 until the termination of the lease. If a renewal is not negotiated, the School is permitted to hold over an additional two years. During the year ended June 30, 2022, the School paid \$60,000 under the terms of the lease. At June 30, 2022, future minimum required payments for leases expiring in more than one month are as follows:

<u>Year ending June 30,</u>	
2023	\$ 60,000
2024	60,000
2025	60,000
2026	60,000
	\$ 240,000

NOTE 7 – CONCENTRATIONS OF RISK:

Cash

Financial instruments that potentially expose the School to concentrations of credit and market risk consist primarily of deposits in checking accounts. At June 30, 2022, the Federal Deposit Insurance Corporation (FDIC) insured substantially all of the School's deposits; however, the balances in these accounts occasionally exceed federally insured limits. The School has not experienced any losses on its cash.

Revenue sources

Approximately 94% of the School's revenue for the year ended June 30, 2022 was derived from Arizona funds or passed through to the School by state agencies. Collection from the state of Arizona is reasonably assured, provided that the School complies with contract terms stipulated in its contract with the Arizona State Board for Charter Schools. The School's compliance with certain laws and regulations is subject to review by the Arizona Department of Education and the Arizona State Board for Charter Schools. Although such reviews could result in a reduction of state equalization assistance, in the opinion of the School's management, any reductions that may result are not expected to be significant. Changes in state funding levels for charter schools could have a significant impact on the School's ability to operate.

See auditor's report.



Rob Paull, CPA, PC

Certified Public Accounting Firm

Rob Paull, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Concordia Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Concordia Charter School (an Arizona nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Concordia Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Concordia Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Concordia Charter School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rob Paull, CPA, PC

Phoenix, Arizona
November 14, 2022



Rob Paull, CPA, PC

Certified Public Accounting Firm

Rob Paull, CPA

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Concordia Charter School

We have performed the procedures described in the second paragraph of this report, which were agreed to by Concordia Charter School (School) and the Arizona State Board for Charter Schools (ASBCS), Concordia Charter School's management is responsible for compliance with the requirements listed in the Legal Compliance Questionnaire. The sufficiency of these procedures is solely the responsibility of the School and the ASBCS. Consequently, we make no representation regarding the sufficiency of the procedures described in the Legal Compliance Questionnaire for the purpose for which this report has been requested or for any other purpose.

We gathered evidence and answered the questions enumerated in the accompanying Legal Compliance Questionnaire solely to assist the School and the ASBCS in evaluating the School's compliance with the requirements of the ASBCS Legal Compliance Questionnaire for the year ended June 30, 2022. Our answers and findings related to the procedures are contained therein.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the School is in compliance with the Legal Compliance Questionnaire. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit of the School's financial statements in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States as of and for the year ended June 30, 2022, and have issued our reports thereon dated November 14, 2022.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedures performed with regard to the Legal Compliance Questionnaire, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Rob Paull, CPA, PC

Phoenix, Arizona
November 14, 2022



Charter Holder Name: **Concordia Charter School**
Charter Holder CTDS: **07-85-30**

Legal Compliance Questionnaire¹

For Fiscal Year Ended June 30, 2022

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¹ This questionnaire should only be used for charters that are exempt from the Uniform System of Financial Records for Arizona Charter Schools (charters that HAVE an exception). If a charter is subject to procurement requirements pursuant to A.R.S. §§ 15-189.02 and 41-2535(A), this questionnaire should be used in conjunction with the Procurement Compliance Questionnaire (see audit guidelines) which is available on the Arizona State Board for Charter Schools' website <https://asbcs.az.gov>.

INSTRUCTIONS²

In order to determine whether a charter that is exempt from the requirements of the Uniform System of Financial Records for Arizona Charter Schools (USFRCS) is complying with applicable legal requirements, the audit firm must complete the following Legal Compliance Questionnaire in accordance with both the agreed upon procedures (instructions contained herein) and the attestation standards established by the American Institute of Certified Public Accountants. (Note: This questionnaire is not comprehensive of all legal requirements for charter schools. As such, this document should not be the sole reference to determine all laws and regulations that are applicable to charter schools.)

The following prescribed minimum agreed upon procedures, as well as those identified throughout the questionnaire, must be used for completing the Legal Compliance Questionnaire in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The State Board for Charter Schools may reject questionnaires not meeting these standards.

- ◆ Sufficient, appropriate evidence must be obtained annually for each question to satisfactorily determine whether the charter complies with the legal requirements, and the evidence must be included in the documentation.
- ◆ Evidence may be obtained through test work, observation, examination, and client assertion. However, client assertion alone is not adequate evidence to support “Yes” answers to the questionnaire.
- ◆ Population size should be considered in determining the number of items to test, and the items selected should be representative of the population.
- ◆ The number of items tested must be sufficient to determine whether a deficiency was the result of an isolated incident or a recurring problem. Therefore, testing one transaction, record, or item is not sufficient.
- ◆ The sample size should be expanded if the audit firm cannot clearly determine whether the charter complies with the legal requirements of the question.
- ◆ If sufficient evidence has been obtained and documented during the current audit, that evidence may be referenced to answer questions.
- ◆ All “No” and “N/A” answers must be adequately explained in the box below the question or in an attachment. Findings must be described in sufficient detail to enable the State Board for Charter Schools to describe the finding in a letter. The description should include the number of items tested and the number of exceptions noted.
- ◆ A “Yes” answer indicates that the audit firm has determined that the charter complies with the legal requirements of the question and a “No” answer indicates the charter does not comply. However, the final determination of compliance on each question, as well as overall compliance with legal requirements, is made by the State Board for Charter Schools based on the evidence presented in the questionnaire, audit reports, resulting documentation, and any other sources.

The resulting documentation supporting the audit firm’s answers to the Legal Compliance Questionnaire must be made available on request for review by the State Board for Charter Schools. To facilitate this review, the audit firm may wish to include in the documentation a copy of the questionnaire containing references to procedures performed for each question.

² For the purposes of this questionnaire, please note that “Governing Body” means the group of persons required by A.R.S. § 15-183(E)(8) that is responsible for policy decisions of the charter school.

PERSONNEL	
Prior to completing the fingerprinting questions below, please review guidance available on the Board's website.	
1. Did the school have valid fingerprint clearance cards (FCC) for 100% of the required personnel as of the testing date? A.R.S. §§ 15-183(C)(5) and 15-512(H)	YES
Questions 2a through 2c only apply to new hires required pursuant to A.R.S. § 15-183(C)(5) to have valid FCCs and do not apply if an individual's FCC has expired.	
2. For each individual referenced in question #1 that did not have a valid FCC, please provide the following information: A.R.S. § 15-183(C)(5)	
a. Was an application for a FCC on file with the Department of Public Safety (DPS) as of the testing date?	N/A
b. Did DPS receive the application prior to the hire date?	N/A
c. Prior to placement, did the school do all of the following:	
i) Document the necessity for hiring/placing the individual prior to receiving a FCC?	N/A
ii) Obtain statewide criminal history information on the individual?	N/A
iii) Obtain references from the applicant's current and previous employers?	N/A
3. Did the charter school maintain up-to-date fingerprints of all Governing Body members as of the testing date? Charter Contract (Citations could not be provided as they vary.)	YES
4. Were all other personnel fingerprint checked as of the testing date? A.R.S. §§ 15-183(C)(5) and 15-512	N/A
5. Did the charter school inform the parents and guardians of pupils enrolled in the school of the availability of information about the educational and teaching background and experience in a particular academic content subject area for all current employees who provide instruction to pupils? A.R.S. § 15-183(F)	YES
REQUIRED FILINGS	
1. Internal Revenue Service (IRS) U.S.C. Title 26	
a. Is the school in good standing with the IRS for payroll taxes, income taxes (if applicable) and applicable tax forms required to be filed during the audited fiscal year?	YES

<i>b. The school did not have any payroll or income taxes payable to the IRS from a prior year(s) as of audited fiscal year end (June 30th) is a true statement.</i>	YES
<i>c. If the response to question 1.a, question 1.b, or both is “no”, does the school have a payment plan in place with the IRS?</i>	N/A
<i>d. If the answer to question 1.c is “yes”, has the school made all of the required payments under the payment plan as of audited fiscal year end (June 30th)?</i>	N/A
2. Arizona Department of Revenue (ADOR) A.R.S. §§ 43-401 and 43-1111	
<i>a. Is the school in good standing with the ADOR for payroll taxes, state income taxes (if applicable) and applicable tax forms required to be filed during the audited fiscal year?</i>	YES
<i>b. The school did not have any payroll or income taxes payable to the ADOR from a prior year(s) as of audited fiscal year end (June 30th) is a true statement.</i>	YES
<i>c. If the response to question 2.a, question 2.b, or both is “no”, does the school have a payment plan in place with the ADOR?</i>	N/A
<i>d. If the answer to question 2.c is “yes”, has the school made all of the required payments under the payment plan as of audited fiscal year end (June 30th)?</i>	N/A
3. Arizona Department of Economic Security (ADES) A.R.S. §§ 23-701 through 23-757	
<i>a. Is the school in good standing with the ADES for state unemployment contribution requirements for the audited fiscal year?</i>	YES
<i>b. The school did not have any state unemployment contributions payable to the ADES from a prior year(s) as of audited fiscal year end (June 30th) is a true statement.</i>	YES
<i>c. If the response to question 3.a, question 3.b, or both is “no”, does the school have a payment plan in place with the ADES?</i>	N/A
<i>d. If the answer to question 3.c is “yes”, has the school made all of the required payments under the payment plan as of audited fiscal year end (June 30th)?</i>	N/A

4. Is the school in good standing with the Arizona Corporation Commission (e.g., annual report)? Charter Contract	YES
5. Was a copy of the adopted budget submitted electronically to the Superintendent of Public Instruction no later than July 18 th ? A.R.S. §§ 15-183(E)(6) and 15-905(E)	YES
6. Was the Annual Financial Report (AFR) sent to the Superintendent of Public Instruction by October 15 th ? A.R.S. §§ 15-183(E)(6) and 15-904(A)	YES
SPECIAL EDUCATION	
1. Is the staff the school uses to provide special education services (internal or contracted) certified in special education?	YES
2. Does the school conduct 45 day screenings on all new students? A.A.C. R7-2-401	YES
3. Are evaluations and IEPs on file for special education students? 34 CFR 300.341-350 and 300.531-536	YES
CLASSROOM SITE FUND – A.R.S. § 15-977 and Office of the Auditor General FAQ	
1. For the Classroom Site Fund, were expenses only for allowable purposes listed in A.R.S. §15-977?	YES
2. Did the school use Classroom Site Fund monies to supplement, rather than supplant, existing funding from all other sources?	YES
3. Did the school have sufficient cash at year-end to cover the carryover monies, and what was the Classroom Site Fund <u>cash</u> carryover balance at year-end?	YES
STUDENT ATTENDANCE REPORTING	
If test work performed in this section discloses a net overstatement or understatement of membership and/or absence days, based on A.R.S. and ADE's school finance external guidelines, report the net overstatement or understatement in the box below each applicable question.	
1. Did the school's calendar ensure school was in session for the required days and students received the required instructional hours per grade level, including Arizona Online Instruction (AOI) programs as prescribed in A.R.S. §§ 15-808(J)(1), 15-901(A)(1), 15-901.07 and 15-901.08?	YES

<p>For Student Attendance Reporting questions, the audit firm must select and test the specified number of transactions (records, entries, withdrawals, or days) as shown in the sample size instructions before each section. These samples should include <u>3</u> or more grade levels and <u>3</u> or more campuses, where applicable. The listed sample sizes represent the minimum level of required test work. The audit firm should use its judgment in determining whether a larger sample is needed. All student attendance records tested should be selected from the first 100 days of school. In the parentheses provided within the questions, write the actual number of transactions tested. If all transactions were tested, indicate such.</p>									
<p>For question 2, select at least 3 student attendance records. (If a student in the sample was in a virtual day, ensure the student was counted based on the instructional time model (ITM).)</p> <p>2. If the school had an early (pre-) kindergarten program, based upon review of (0) early (pre-) kindergarten students' attendance records, did the school only calculate and submit membership information for this program for students with disabilities? A.R.S. § 15-901(A)(1)(a)(i) and USFRCS Memorandum No. 33</p>	N/A								
<p>For question 3, use the following sample sizes. (If a student in the sample was in a virtual day, ensure the student was counted based on the ITM.)</p> <table border="1"> <thead> <tr> <th>SCHOOLWIDE ADM</th> <th>Student Attendance Records</th> </tr> </thead> <tbody> <tr> <td><1,000</td> <td>5</td> </tr> <tr> <td>1,000-5,000</td> <td>10</td> </tr> <tr> <td>>5,000</td> <td>15</td> </tr> </tbody> </table>		SCHOOLWIDE ADM	Student Attendance Records	<1,000	5	1,000-5,000	10	>5,000	15
SCHOOLWIDE ADM	Student Attendance Records								
<1,000	5								
1,000-5,000	10								
>5,000	15								
<p>3. Based upon review of (5) students' attendance records, did the school appropriately track and report elementary, junior high, and high school students' membership and absences? A.R.S. §§ 15-901(A)(1)(a)(i) and 15-901(A)(5)(a)(i), and USFRCS Memorandum No. 33</p>	YES								
<p>For questions 4-7, use the following sample sizes. (If a student in the sample was in a virtual day, ensure the student was counted based on the ITM.)</p> <table border="1"> <thead> <tr> <th>SCHOOLWIDE ADM</th> <th>Student Attendance Records</th> </tr> </thead> <tbody> <tr> <td><1,000</td> <td>3</td> </tr> <tr> <td>1,000-5,000</td> <td>5</td> </tr> <tr> <td>>5,000</td> <td>7</td> </tr> </tbody> </table>		SCHOOLWIDE ADM	Student Attendance Records	<1,000	3	1,000-5,000	5	>5,000	7
SCHOOLWIDE ADM	Student Attendance Records								
<1,000	3								
1,000-5,000	5								
>5,000	7								
<p>4. Based upon review of (0) high school students' attendance records, did the school prorate the membership of the students enrolled in less than 4 subjects?</p>	N/A								
<p>5. For schools-Based upon review of (0) students' (enrolled in a program provided by a CTED in a facility owned or operated by a school) attendance records, did the school report the actual enrollment for only the school classes the student was enrolled in at the school site (excluding CTED program classes) under the school's CTDS number?</p>	N/A								
<p>6. For schools offering an AOI program, based upon a review of (0) AOI students' attendance records for 4 weeks: (ADE's guideline SF-0003-AOI Participation)</p>									

a. Was the guardian-approved or school computer-generated daily log describing the amount of time spent by the student on academic tasks maintained by the participating AOI school? A.R.S. § 15-808(E)	N/A								
b. Did the hours reported to ADE agree to the guardian-approved or school computer-generated daily log?	N/A								
c. Were all students who participated in an AOI program residents of this state? A.R.S. § 15-808(B) and ADE's Updated Residency Guidelines	N/A								
d. Was the student's Intended Full Time Equivalency Enrollment Statement maintained?	N/A								
7. Based upon review of the student attendance records in question 6, did the school follow its procedures to re-determine the actual FTE for each student enrolled in an AOI program following a student's withdrawal or after the end of the school year? A.R.S. §15-808	N/A								
<p>For questions 8-12, use the following sample sizes:</p> <table border="1"> <thead> <tr> <th>SCHOOLWIDE ADM</th> <th>Student Attendance Records</th> </tr> </thead> <tbody> <tr> <td><1,000</td> <td>5</td> </tr> <tr> <td>1,000-5,000</td> <td>10</td> </tr> <tr> <td>>5,000</td> <td>15</td> </tr> </tbody> </table>		SCHOOLWIDE ADM	Student Attendance Records	<1,000	5	1,000-5,000	10	>5,000	15
SCHOOLWIDE ADM	Student Attendance Records								
<1,000	5								
1,000-5,000	10								
>5,000	15								
8. Based upon review of (0) students withdrawn for having 10 consecutive unexcused absences (all grades), was the student only counted in membership through the last day of actual attendance or excused absence? A.R.S. § 15-901(A)(1)	N/A								
9. Based upon review of (5) entries, does the student's name entered in the student management system match the name on the legal document on file? A.R.S. § 15-828(D)	YES								
10. Based upon review of (5) entries: (Note: Enrollment forms are not required for continuing students at the same school.)									
a. Were the entry dates entered into the school's computerized attendance system within 5 working days after the actual date of entry and was documentation maintained to support the date of data entry? A.R.S. §15-828	YES								
b. Did the entry date in the computerized attendance system agree to the entry form?	YES								

<p>c. Did membership begin on the first day of actual attendance or, for continuing/pre-enrolled students, the first day that classroom instruction was offered, provided that the students actually attend within the first 10 days of school? ADE's External Guideline GE-17</p>	<p>YES</p>
<p>d. Did the school obtain and maintain verifiable documentation of Arizona residency upon enrollment? A.R.S. § 15-802(B)(1) and ADE's Updated Residency Guidelines</p>	<p>YES</p>
<p>11. Did the school exclude nonresident students from the school's student count and state aid calculations and charge tuition, as applicable? A.R.S. § 15-823(G) and (L)</p>	<p>YES</p>
<p>12. Based upon review of (5) withdrawals:</p>	
<p>a. Were the withdrawal dates entered into the school's computerized attendance system within 5 working days after the actual day of withdrawal and was documentation maintained to support the date of data entry? (Note: "Day of withdrawal" for determining timely data entry means: a. the later of the student's withdrawal date or the day the school is notified the student will not be returning; or b. the 10th day of unexcused absence for students withdrawn for having 10 consecutive unexcused absences.)</p>	<p>YES</p>
<p>b. Did the withdrawal date in the computerized attendance system agree to the withdrawal form? (Note: If the computerized attendance system requires the school to input the day following the withdrawal date for a student to be counted in membership through the last day of actual attendance or excused absence, the withdrawal date on the system should be the school day following the withdrawal date on the form.)</p>	<p>YES</p>
<p>c. Did the school prepare and retain an Official Notice of Pupil Withdrawal form that a school administrator signed for each withdrawal? A.R.S. § 15-827</p>	<p>YES</p>
<p>13. Based upon review of the school's student data uploaded to ADE (AzEDS ADM15 or ABSATT10 report, as applicable), did the membership and absences agree to the school's computerized attendance system records for the first 100 days of school? (Note: For an AOI Program, review year-end attendance information.) A.R.S. §15-901</p>	<p>YES</p>
<p>14. Did the school report students that completed all high school requirements with the applicable graduation code and use the appropriate year-end status code for other students?</p>	<p>YES</p>

15. For students participating in distance learning, did the school follow attendance procedures defined in an adopted ITM?	YES
OPEN MEETING LAW A.R.S. §§ 38-431.01 and 38-431.02 (See also Attorney General Opinion 100-009)	
1. Did the school conspicuously post a statement on its website stating where all public notices of its meetings will be posted, including the physical and electronic locations?	YES
2. Did the school post all public meeting notices on its website?	YES
3. Did the school maintain a record of notices that includes a copy of each notice that was posted and information regarding the date, time and place of posting?	YES
4. Were notices and agenda of public meetings posted at least 24 hours before the meeting?	YES
5. Were written minutes prepared or a recording made of Governing Body meetings?	YES
INSURANCE REQUIREMENTS – A.R.S. § 15-183(M)	
Does the school have the required insurance for liability and property loss?	YES
TUITION – A.R.S. § 15-185(B)(6) (See also Attorney General Opinion 198-007)	
Did the school refrain from charging fees that may be considered tuition other than as provided for in A.R.S. § 15-185(B)(6) [nonresidents]?	YES
RECORDS MANAGEMENT	
1. Did the school retain records in accordance with the General Retention Schedules for Education – K-12 published by the Arizona State Library, Archives and Public Records (based on the testing conducted during the course of the audit)? (www.azlibrary.gov/arm/retention-schedules)	YES
2. Was adequate documentation retained to support amounts in the financial statements (if the school is not the primary reporting entity – was adequate documentation retained to support revenue and expenses in the charter school)?	YES

This Questionnaire was completed in accordance with the minimum standards as set forth in the instructions on page 2.

Rob Paull, CPA, PC

Audit Firm

Robert Paull

Preparer's Signature (Audit Firm Representative)

November 14, 2022

Date

Partner/President

Title

Concordia Charter School (07-85-30)

Legal Compliance Questionnaire supplemental page
Explanations for “No,” “N/A,” and narrative answers
June 30, 2022

PERSONNEL:

2. (a – c) All required personnel had FCCs.
4. There were no remaining personnel in questions 1 – 3 required to be fingerprint checked.

REQUIRED FILINGS:

- 1c. 1a and 1b are Yes.
- 1d. 1c is not Yes.
- 2c. 2a and 2b are Yes.
- 2d. 2c is not Yes.
- 3c. 3a and 3b are Yes.
- 3d. 3c is not Yes.

CLASSROOM SITE FUND:

3. Cash carryover balance: \$19,203.

STUDENT ATTENDANCE REPORTING:

2. The School did not offer an early kindergarten program during the year.
4. The School did not offer high school grades during the year.
5. The School did not have CTED enrollments during the year.
6. (a – d) The School did not offer an AOI program during the year.
7. The School did not offer an AOI program during the year.
8. No students met the criteria for the question.