

CONCORDIA CHARTER SCHOOL

ARIZONA STATE BOARD FOR CHARTER SCHOOLS
LEGAL COMPLIANCE QUESTIONNAIRE AND
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2023



Brett V.
Backlund
CPA, PC

1776 East Silver Creek Court • Gilbert, Arizona 85296
Phone (480) 361-4150 • Mobile 480) 540-3071 • brett@bvbcpa.com



**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

Board of Directors
Concordia Charter School

We have performed the procedures enumerated below, which were agreed to by Concordia Charter School (School, a nonprofit organization) and the Arizona State Board for Charter Schools (Sponsor) solely to assist the specified parties in evaluating the School's compliance with applicable legal requirements during the fiscal year ended June 30, 2023. The School's management is responsible for the School's compliance with those requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed are summarized as follows:

Procedures

We completed the accompanying Arizona State Board for Charter Schools Legal Compliance Questionnaire in accordance with the instructions contained therein.

Findings

Our findings are summarized within the accompanying Arizona State Board for Charter Schools Legal Compliance Questionnaire.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion, on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the School and its Sponsor and is not intended to be and should not be used by anyone other than these specified parties.

Brett V. Backlund, CPA, PC
Gilbert, Arizona
November 13, 2023



Charter Holder Name: **Concordia Charter School**
Charter Holder CTDS: **078530000**

Legal Compliance Questionnaire¹

For Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

INSTRUCTIONS	2
PERSONNEL	3
REQUIRED FILINGS	3
SPECIAL EDUCATION	5
CLASSROOM SITE FUND	5
STUDENT ATTENDANCE REPORTING	5
OPEN MEETING LAW	9
INSURANCE REQUIREMENTS	9
TUITION	9
RECORDS MANAGEMENT	9

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. For all employees, did the school maintain valid fingerprint clearance cards (FCC) or, if applicable, fingerprint check documentation as of the testing date? A.R.S. §§ 15-183(C)(5), 15-512 and 15-106	YES
2. For each new hire identified in Question 1 that did not have a valid FCC, was an application for a FCC on file with the Department of Public Safety as of the testing date, and did the school comply with all requirements found in A.R.S. § 15-183(C)(5)(a)-(f)?	N/A
All new hires identified in 1. had a valid FCC or fingerprint check documentation.	
3. For all contractors, subcontractors, vendors and their employees who are contracted to provide services on a regular basis at the school, as of the testing date, did the school maintain valid FCCs, or did the school adhere to its board adopted policy for exempting an individual whose normal duties are not likely to result in independent access to or unsupervised contact with pupils? A.R.S. § 15-512(H)	YES
4. For each individual identified in Question 1 and/or Question 3 that had an expired FCC, was an affidavit signed by the individual maintained by the school and did the school comply with all requirements found in A.R.S. § 41-1758.08?	N/A
The school had no employees in 1. and/or 3. with an expired FCC.	
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
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 30 th) is a true statement.	YES
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?	N/A
The responses to all questions were "YES".	

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 30 th)?	N/A
The response to 1.c. was “N/A”.	
2. Arizona Department of Revenue (ADOR) A.R.S. §§ 43-401 and 43-1111	
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?	YES
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 30 th) is a true statement.	YES
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?	N/A
The responses to all questions were “YES”.	
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 30 th)?	N/A
The response to 2.c. was “N/A”.	
3. Arizona Department of Economic Security (ADES) A.R.S. §§ 23-701 through 23-757	
a. Is the school in good standing with the ADES for state unemployment contribution requirements for the audited fiscal year?	YES
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 30 th) is a true statement.	YES
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?	N/A
The responses to all questions were “YES”.	
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 30 th)?	N/A
The response to 3.c. was “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	NO
For one of five mid-year entries tested for 45 days screenings, the school did not indicate the date the screening was performed.	
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
The school's cash carryover monies in the Classroom Site Fund was \$17,987 as of June 30, 2023.	
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
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>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 (____) 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>	<p>N/A</p>								
<p>The school did not offer such a program.</p>									
<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 (<u>5</u>) 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>	<p>YES</p>								
<p>For questions 4-8, 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 (____) high school students' attendance records, did the school prorate the membership of the students enrolled in less than 4 subjects?</p>	<p>N/A</p>								
<p>The school served students in kindergarten through sixth grades.</p>									
<p>5. For schools-Based upon review of (____) 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>	<p>N/A</p>								
<p>The school did not offer such a program.</p>									
<p>6. For schools-Based on a review of (____) students enrolled in a CTED program, did the school maintain appropriate enrollment documentation and accurately report students enrolled in CTED programs, including accurately submitting scheduled hours of instruction and community college credits as required? A.R.S. § 15-393</p>	<p>N/A</p>								
<p>The school did not offer such a program.</p>									
<p>7. For schools offering an AOI program, based upon a review of (____) 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								
The school did not offer such a program.									
b. Did the hours reported to ADE agree to the guardian-approved or school computer-generated daily log?	N/A								
The school did not offer such a program.									
c. Were all students who participated in an AOI program residents of this state? A.R.S. § 15-808(B)(1) and ADE's Updated Residency Guidelines	N/A								
The school did not offer such a program.									
d. Was the student's Intended Full Time Equivalency Enrollment Statement maintained?	N/A								
The school did not offer such a program.									
8. Based upon review of the student attendance records in question 7, 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 (ADE guidance advises that A.R.S. § 15-901 be used to determine the FTE for students in 7th and 8th grade)	N/A								
The school did not offer such a program.									
For questions 9-13, use the following sample sizes: <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								
9. Based upon review of (____) 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								
The school did not have students withdrawn for having 10 consecutive unexcused absences.									
10. Based upon review of (<u>5</u>) 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								
11. Based upon review of (<u>5</u>) 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>12. 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>13. Based upon review of (<u>5</u>) 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>NO</p>
<p>For one of five mid-year withdrawals tested, the withdrawal date in the computerized attendance system did not agree to the withdrawal date on the withdrawal form. The withdrawal date in the computerized attendance system was December 8, 2022 and the withdrawal date on the withdrawal form was December 12, 2022.</p>	
<p>c. Did the school prepare and retain an <i>Official Notice of Pupil Withdrawal</i> form that a school administrator signed for each withdrawal? A.R.S. § 15-827</p>	<p>YES</p>
<p>14. 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, sample year-end attendance information.) A.R.S. § 15-901</p>	<p>YES</p>

15. 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? ADE’s Graduation, Dropout, and Persistence Rate Technical Manual and/or ADE’s Withdrawal Cheat Sheet	YES
16. For students participating in distance learning, did the school follow attendance procedures defined in an adopted ITM submitted to ADE?	N/A
The school did not have students participating in distance learning. In addition, the school did not adopt an ITM.	
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 Governing Body meetings will be posted, including the physical and electronic locations?	YES
2. For all Governing Body meetings held during the audited fiscal year, did the school post all public meeting notices on its website?	YES
3. Was evidence maintained to support the school posted the notice and made the agenda available at least 24 hours before each Governing Body meeting held during the audited fiscal year?	YES
4. Were written minutes prepared or a recording of the public meetings prepared and made available for public inspection for each Governing Body meeting held during the audited fiscal year?	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 published by the Arizona State Library, Archives and Public Records (based on the testing conducted during the course of the audit)? (https://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
3. Did the school utilize the USFRCS Chart of Accounts or maintain a “cross-walk” of its accounts (i.e., a document) so the school could report information to the Arizona Department of Education?	YES

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

Brett V. Backlund, CPA, PC

November 13, 2023

Audit Firm

Date

Brett V. Backlund, CPA, PC

President

Preparer's Signature (Audit Firm Representative)

Title