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Independent accountants' report

Arizona State Board for Charter Schools

Michelle Campagne, Director, Finance and Risk Management
Pima County, Arizona

Leslie Laird-Lynch, Director
Pima Vocational High School Charter School

We have performed the procedures enumerated in the accompanying Arizona State Board for Charter Schools (Board) Legal Compliance Questionnaire (Questionnaire) for the year ended June 30, 2021. The Pima Vocational High School Charter School's (School) management is responsible for appropriately applying and complying with the laws and regulations specified in the Questionnaire.

Pima County (County) and the School have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the School complied with applicable laws and regulations specified in the Questionnaire for the year ended June 30, 2021. This report may not be suitable for any other purpose. Accordingly, the procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report, and as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are summarized in the accompanying Questionnaire.

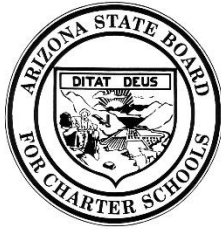
We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with applicable laws and regulations specified in the 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 are required to be independent of the County and School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Donna Miller

Donna Miller, CPA
Director, Financial Audit Division

March 31, 2022



Arizona State Board for Charter Schools
Legal Compliance Questionnaire
Pima Vocational High School Charter School
Fiscal Year Ended June 30, 2021

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INSTRUCTIONS

NOTE: 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>.

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 auditors 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 comments column 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.

Legal Compliance Questionnaire¹

Questions/Subject Area	Yes/No	Comments
Personnel		
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 A.R.S. §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 #1 that did not have a valid FCC, please provide the following information (provide supplemental pages, if necessary) (See agency guidance available on the Board’s website prior to completing these questions) 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	All required individuals had an FCC.
b. Did DPS receive the application prior to the hire date?	N/A	All required individuals had an FCC.
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	All required individuals had an FCC.
ii) Obtain statewide criminal history information on the individual?	N/A	All required individuals had an FCC.
iii) Obtain references from the applicant’s current and previous employers?	N/A	All required individuals had an FCC.
3. Did the charter school maintain up-to-date fingerprints of all Governing Body members as of the testing date? Charter Contract²	Yes	
4. Were all other personnel fingerprint checked as of the testing date? A.R.S. §15-183(C)(5) and A.R.S. §15-512	Yes	

¹ 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. The term “Governing Board” means the group of persons that the charter holder has assigned the responsibility addressed by the question. The applicable group of persons may be the Governing Body or the officers, directors, members or partners of the charter holder. The applicable group of persons may vary depending on the issue addressed by the question.

² Specific contract cites could not be provided as term references vary per contract year.

Questions/Subject Area	Yes/No	Comments
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. Is the school in good standing with the following regulatory bodies: a. Internal Revenue Service U.S.C. Title 26		
i. For payroll taxes, income taxes (if applicable) and applicable tax forms required to be filed during the audited fiscal year?	Yes	
ii. The school did not have any payroll or income taxes payable from a prior year(s) as of audited fiscal year end (June 30 th) is a true statement.	Yes	
iii. If the response to 1.a.i, 1.a.ii, or both is “no”, does the school have a payment plan in place with the Internal Revenue Service?	N/A	The answers to 1.a.i and 1.a.ii were yes.
iv. If the answer to Question 1.a.iii 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	Question 1.a.iii was not applicable.
b. Arizona Department of Revenue A.R.S. §43-401 and §43-1111		
i. For payroll taxes, state income taxes (if applicable) and applicable tax forms required to be filed during the audited fiscal year?	Yes	
ii. The school did not have any payroll or income taxes payable from a prior year(s) as of audited fiscal year end (June 30 th) is a true statement.	Yes	
iii. If the response to 1.b.i, 1.b.ii, or both is “no”, does the school have a payment plan in place with the Arizona Department of Revenue?	N/A	The answers to 1.b.i and 1.b.ii were yes.
iv. If the answer to Question 1.b.iii 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	Question 1.b.iii was not applicable.
c. Arizona Department of Economic Security A.R.S. §§23-701 through 23-757		
i. State unemployment contributions requirements for the audited fiscal year?	Yes	
ii. The school did not have any state unemployment contributions payable from a prior year(s) as of audited fiscal year end (June 30 th) is a true statement.	Yes	

Questions/Subject Area	Yes/No	Comments
iii. If the response to 1.c.i, 1.c.ii, or both is “no”, does the school have a payment plan in place with the Arizona Department of Economic Security?	N/A	The answers to 1.c.i and 1.c.ii were yes.
iv. If the answer to Question 1.c.iii 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	Question 1.c.iii was not applicable.
d. Corporation Commission (e.g., annual report)? Charter Contract	N/A	PVHS is a governmental entity and not a corporation; therefore, it is not subject to the Corporation Commission’s reporting requirements.
2. Was a copy of the adopted budget submitted electronically to the Superintendent of Public Instruction no later than July 18 th ? A.R.S. §15-905(E) and §15-183(E)(6)	Yes	
3. 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? AAC 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 & OAG Memorandum No. 44		
1. Did the school properly allocate Classroom Site Fund receipts among the following projects: 1011 – Base Salary (20%), 1012 – Performance Pay (40%), and 1013 – Other (40%)?	Yes	
2. For Project 1011, were expenses only for teacher base salary increases and employment-related expenses?	Yes	
3. For Project 1012, were expenses only for performance-based teacher compensation increases and employment-related expenses?	Yes	
4. For Project 1013, were expenses only for class size reduction, teacher compensation increases, assessment intervention programs, teacher development, dropout prevention programs, and teacher liability insurance premiums?	Yes	
5. Did the school use Classroom Site Fund monies to supplement rather than supplant, existing funding from all other sources? (See USFRCS Memorandum No. 44 for guidance on the Classroom Site Fund.)	Yes	

Questions/Subject Area	Yes/No	Comments								
6. If the school had monies remaining at year-end, were they properly carried forward in the three Classroom Site Projects (1011, 1012, and 1013) to help ensure that the restrictions placed on the original allocation of revenues is applied in future years?	Yes									
7. Did the school have sufficient cash at year-end to cover the carry over monies, and what was the Classroom Site Fund <u>cash</u> carryover balance at year-end?	Yes	PVHS had a Classroom Site Fund cash carryover balance of \$50,338.14 at year-end.								
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 “Comments” column next to 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) and 15-901.07?	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 3 or more grade levels and 3 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 in the “Comments” column.										
For question 2, select at least 3 student attendance records. 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	N/A	PVHS served only grades 9 through 12.								
For question 3, use the following sample sizes: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>SCHOOLWIDE ADM</u></th> <th style="text-align: center;"><u>Student Attendance Records</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><1,000</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">1,000-5,000</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">>5,000</td> <td style="text-align: center;">15</td> </tr> </tbody> </table>			<u>SCHOOLWIDE ADM</u>	<u>Student Attendance Records</u>	<1,000	5	1,000-5,000	10	>5,000	15
<u>SCHOOLWIDE ADM</u>	<u>Student Attendance Records</u>									
<1,000	5									
1,000-5,000	10									
>5,000	15									

Questions/Subject Area	Yes/No	Comments								
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	Yes	PVHS served only grades 9 through 12, so our review of attendance records was limited to high school students.								
<p>For questions 4-7, use the following sample sizes:</p> <table border="1" data-bbox="191 489 967 674"> <thead> <tr> <th data-bbox="191 520 574 552">SCHOOLWIDE ADM</th> <th data-bbox="618 489 967 552">Student Attendance Records</th> </tr> </thead> <tbody> <tr> <td data-bbox="191 569 574 600"><1,000</td> <td data-bbox="618 569 967 600">3</td> </tr> <tr> <td data-bbox="191 604 574 636">1,000-5,000</td> <td data-bbox="618 604 967 636">5</td> </tr> <tr> <td data-bbox="191 640 574 672">>5,000</td> <td data-bbox="618 640 967 672">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									
4. Based upon review of (3) high school students' attendance records, did the school prorate the membership of the students enrolled in less than 4 subjects?	Yes									
5. For schools-Based on a 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?	N/A	PVHS did not have any students enrolled in programs provided by a CTED.								
6. For schools offering an AOI Program, based upon a review of (0) AOI students' attendance records for 4 weeks: (ADE's guideline SE-0003-AOI Participation)										
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	PVHS did not have AOI programs.								
b. Did the hours reported to ADE agree to the guardian-approved or school computer-generated daily log?	N/A	PVHS did not have AOI programs.								
c. Were all students who participated in an AOI Program residents of this state? A.R.S. §15-808(B)	N/A	PVHS did not have AOI programs.								
d. Was the student's Intended Full Time Equivalency Enrollment Statement maintained?	N/A	PVHS did not have AOI programs.								
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?	N/A	PVHS did not have AOI programs.								

Questions/Subject Area	Yes/No	Comments								
<p style="text-align: center;">For questions 8-12, use the following sample sizes:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">SCHOOLWIDE ADM</td> <td style="text-align: center;">Student Attendance Records</td> </tr> <tr> <td style="text-align: center;"><1,000</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">1,000-5,000</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">>5,000</td> <td style="text-align: center;">15</td> </tr> </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 (5) 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)	Yes									
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?	Yes									
b. Did the entry date in the computerized attendance system agree to the entry form?	Yes									
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	Yes									
d. Did the school obtain and maintain verifiable documentation of Arizona residency upon enrollment? A.R.S. §15-802(B)(1) and ADE's Arizona Residency Documentation Guidelines	Yes									
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)	N/A	PVHS stated they have no nonresident students, and no nonresident students were noted in our sample of newly enrolled students in question 10d.								

Questions/Subject Area	Yes/No	Comments
12. Based upon review of (5) withdrawals:		
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 10 th day of unexcused absence for students withdrawn for having 10 consecutive unexcused absences.)	Yes	
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.)	Yes	
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	Yes	
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.)	Yes	
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?	Yes	
15. For students participating in distance learning, did the school follow attendance procedures defined in the distance learning plan approved by ADE?	Yes	
Open Meeting Law A.R.S. § 38-431.01 and § 38-431.02 (See also Attorney General Opinion I00-009)		
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	

Questions/Subject Area	Yes/No	Comments
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 I98-007)		
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 <i>General Retention Schedules for Education – K-12</i> 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 pages 2 and 3.

Arizona Auditor General

Audit Firm

Donna Miller, CPA

Preparer's Signature (Audit Firm Representative)

March 31, 2022

Date

Director, Financial Audit Division

Title