

Arizona Auditor General

We have issued the fiscal year (FY) 2023 charter school [annual financial report \(AFR\) package](#) in conjunction with the Arizona Department of Education (ADE). Specific instructions for completing the forms are provided within each file, and significant changes are identified in the forms and any related instructions with yellow highlighting.

Charters that are exempted from all or part of the *Uniform System of Financial Records for Arizona Charter Schools* (USFRCS) in accordance with A.R.S. §15-183(E)(6) must use an accounting system that allows them to report financial data in the AFR standard expense types and functional uses. Charters must import and classify their accounting data with the functions and objects used in the AFR to automatically populate many amounts within each form and allow for more efficient and transparent reporting. Please review our video posted in June 2020 for information about [importing accounting data](#).

Significant changes

Page 10—Added this page to collect additional information for National Public Education Financial Survey (NPEFS) reporting of COVID-19 federal relief projects as separate COVID-19 reporting is no longer required.

Summary—Added this page to report condensed information from the AFR and provide more complete project balance information. Most information in the Summary automatically pulls from the AFR and some amounts must be manually entered.

Fund Balance Reserve—As described in the Finding 3 followup in our [special report on Arizona school districts' and charter schools' COVID-19 federal relief spending](#), we added this page to report information on the amount and planned use of charters' project balance reserves to increase transparency and provide decision-makers, other stakeholders, and the public more complete financial information. The page also requires reporting on information about policies or guidelines charters used to establish targeted project balance reserve amounts.

School-level reporting (SLR) AFR

We will notify all charters when the required SLR AFR form is issued.

Formula corrections

We have posted a FY 2023 AFR Formula Corrections file along with the AFR package because required formula corrections are occasionally necessary due to the complex formulas included within the AFR files. If we become aware of any required formula corrections, we will describe the change in the formula corrections file and post an updated AFR package. Charters will generally have the option of correcting the formula or downloading a new file. **Charters must review the corrections file and make any corrections as directed before finalizing and submitting AFR files.**

ADE's School Finance Budget System is not currently open for file submission. ADE will issue a Hot Topic and notify all districts when the system is open.


If you have any questions, please contact Tijana Djordjic or Elizabeth Whitaker at asd@azauditor.gov or (602) 977-2796, or ADE's School Finance Budget Team at SFBudgetTeam@azed.gov or (602) 542-5695.

Other charter school reports and guidance we issue are available on our website: <http://www.azauditor.gov>.

Sincerely,
Arizona Auditor General



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