



USFRCS MEMORANDUM NO. 99

TO: Arizona Charter School Administrators;
Administrators of School Districts Sponsoring Charter Schools

FROM: Laura Miller, Office of the Auditor General
Lyle Friesen, Arizona Department of Education (ADE)

DATE: August 15, 2014

SUBJECT: Fiscal Year 2014 Annual Financial Report and reporting forms for Current Expenses and the Classroom Site Project (Supersedes USFRCS Memorandum No. 96)

Arizona Revised Statutes (A.R.S.) §§15-183(E)(6) and 15-904 require schools to prepare and submit an annual financial report (AFR), in electronic format. A.R.S. §15-904(A) requires the Auditor General in conjunction with ADE to prescribe the AFR format to be used by charter schools. The Auditor General and ADE developed the AFR format in Excel to incorporate the information schools are statutorily required to include in their AFR. This format will assist schools in complying with AFR preparation and submission requirements. ADE will only accept FY 2014 AFR forms submitted electronically using the Excel forms with the 8/14 revision date. The Excel file must be saved in the Excel 97-2003 (.xls) format to be successfully uploaded through the Common Logon. Schools may download a copy of the Excel forms from the Auditor General's Web site at www.azauditor.gov/reports-publications/charter-schools/forms or ADE's Web site at www.azed.gov/finance/budgets. The completed AFR must be filed with ADE by October 15, 2014.

All charter schools, including district-sponsored charter schools, must complete an AFR in the prescribed format, including the National Public Education Financial Survey (NPEFS) data on page 10. Schools that are exempted from all or part of the *Uniform System of Financial Records for Arizona Charter Schools* (USFRCS) must still complete and file an AFR.

A.R.S. §15-746(A)(4) requires charter schools to report current expenses for classroom supplies, classroom instruction excluding classroom supplies, administration, support services-students, and all other support services and operations. The current expenses by school should include an allocation of school-wide expenses. Since this information is required to be filed with ADE by November 1, the Charter School Current Expenses on a School-by-School Basis for FY 2014 report, which is not part of the AFR as prescribed by A.R.S. §15-904, has been included and should be submitted electronically with the AFR.

A.R.S. §15-977(J) requires charter schools to prepare a narrative summary of results of Classroom Site Project usage. Since this additional information is required to be filed with ADE by November 15, the

Classroom Site Project Narrative Summary, which is not part of the AFR as prescribed by A.R.S. §15-904, has been included and should be submitted electronically with the AFR.

Charter sponsors will be notified of all charter schools which operated in FY 2014 and did not submit an AFR for FY 2014 by October 15, 2014. The sponsor may request that ADE withhold up to 10% of the school's monthly apportionment of state aid pursuant to A.R.S. §15-185(H).

The completed AFR, Current Expenses report, and Classroom Site Project Narrative Summary must be uploaded via the Common Logon on ADE's Web site at www.ade.az.gov/CommonLogon. **Files can be uploaded to ADE after September 2.** For Common Logon password information or help, please contact ADE's Support Center at (602) 542-7378 [outside the Phoenix area call, (866) 577-9636], or e-mail at enterprise@ade.az.gov. After uploading files, schools should check their file submission page (www.ade.az.gov/Budget/EntitySelection.asp) to verify the files have processed. If a file did not process, follow the instructions contained in the error message to upload the corrected file(s). If you are unable to correct an error, please contact ADE's Budget Team at SFBudgetTeam@azed.gov.

If it becomes necessary to submit a revision to any of the files, please email the School Finance Budget Team for instructions. If a revised file is uploaded, it will not process into the ADE budget reports until the current processed file has been archived by School Finance.

After the AFR has been electronically submitted to ADE, complete the following steps:

- Within 5 days, scan and e-mail **the completed cover page** signed by the Governing Board members and two school officials to SFBudgetTeam@azed.gov. **ADE will only accept electronic/scanned copies of the cover page.**
- Schools that maintain a Web site must provide a link on their Web site to ADE's Web site (<http://www.ade.az.gov/SchoolFinance/Forms/LEAQuery/SubmittedFiles.aspx>) where the school's AFR can be viewed. By November 15 schools should e-mail ADE at SFBudgetTeam@azed.gov, with a clickable link to the page on the school's Web site where the AFR link is placed. Schools should retain a copy of the e-mail and a screen shot of their Web site for audit purposes. The screen shot should **not** be e-mailed to ADE.

GENERAL INFORMATION AND INSTRUCTIONS

The AFR and Current Expenses and Classroom Site Project reporting forms are in four files.

1. afr14.xls includes the cover page and pages 1 through 10 of the AFR.
2. afr14-food service.xls includes the AFR page for food service information.
3. curexpbyschool14.xls includes the Current Expenses report.
4. cspsum14.xls includes the Classroom Site Project Narrative Summary.

Detailed instructions for preparing the AFR are included on an instructions tab in the Excel file. The food service page should be completed and submitted with other pages of the AFR. Specific instructions for completing that page can be found in ADE's *Annual Financial Report, Food Service Instructions*.

USING THE ANNUAL FINANCIAL REPORT

The Excel files should be saved in the C:\CSFORMS folder. The AFR (afr14.xls) contains formulas that will automatically pull budgeted amounts from the FY 2014 budget forms and prior year actual amounts from the FY 2013 AFR. To do so, the most recently revised FY 2014 budget and the final FY 2013 AFR must be saved as budget14.xls and afr13.xls, respectively, in the C:\CSFORMS folder. If the files are not named budget14.xls and afr13.xls, the formulas will not function properly. Excel will prompt the user to update information when the afr14.xls file is opened. Users should review amounts reported in the budget and prior year actual columns to ensure they agree to the school's most recently revised FY 2014 budget and FY 2013 AFR.

Grid lines have been turned off in order to make the forms easier to read. Users may turn the grid lines back on without affecting the calculations or printing of the spreadsheets.

The charter school name, county, and CTDS number must be entered on the cover page of the AFR, as indicated. The number should not include any slashes, dashes, etc. This information will be automatically transferred to the other sheets in the file.

The spreadsheets will automatically perform mathematical calculations and bring forward certain amounts from one AFR page to another. **Therefore, information can and should be entered only in unprotected cells.** Users can move from one unprotected cell to another on a sheet by using the Tab key. To ensure that the school's data can be properly processed by ADE, rows and columns should not be added or deleted, information should not be copied and pasted from the prior year's forms, and sheet tabs should not be renamed.

PRINTING

The AFR has been formatted to print on legal-size paper (8½" x 14") at "Actual Size" (100%). The Classroom Site Project reporting form and Current Expenses form have been formatted to print on letter-size paper (8½" x 11") at "Actual Size" (100%). Since the minimum margin setting for your printer may differ from what was used to set up these files, a little experimentation may be needed to get each sheet to print on one page. Users should try changing the "scaling" under page setup.

If you have any questions, please call ADE's Budget Team at (602) 542-5695, or the Office of the Auditor General, Accounting Services Division at (602) 553-0333. Questions regarding the electronic version should be referred to the Office of the Auditor General. Questions regarding electronic submission of the AFR should be referred to ADE.