ASU Preparatory Academy (078208000)

Legal Compliance Questionnaire

Year Ended June 30, 2021
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
ASU Preparatory Academy (078208000)
Tempe, Arizona

We have performed the procedures enumerated below on evaluating ASU Preparatory Academy (078208000)'s (the School, a nonprofit organization) compliance with the 6/21 version of the Arizona State Board for Charter Schools Legal Compliance Questionnaire (LCQ) as of and for the year ended June 30, 2021. the School’s management is responsible for compliance.

The School and the Arizona State Board for Charter Schools have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the School's compliance with the LCQ requirements. This report may not be suitable for any other purpose. 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 associated findings are included with the 6/21 version of the Arizona State Board for Charter Schools Legal Compliance Questionnaire following this report.

We were engaged by the School 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 the School's compliance with the LCQ requirements. 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the School and the Arizona State Board for Charter Schools, and is not intended to be and should not be used by anyone other than those specified parties.

Fester & Chapman, PLLC

March 31, 2022
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Legal Compliance Questionnaire

Instructions

In order to determine whether a charter school that is exempt from the requirements of the Uniform System of Financial Records for Arizona Charter Schools (USFRCS) complied with applicable legal requirements, the audit firm must complete the following Legal Compliance Questionnaire.

Schools are required by Arizona Revised Statutes (A.R.S.) §§15-213(F) and 15-914(G) to have a systematic review of their purchasing practices and average daily membership (ADM), respectively, performed in conjunction with their audit to determine whether the school is in compliance with the applicable procurement and student attendance laws and rules of the State of Arizona. The Procurement and Student Attendance Reporting questions included in the Legal Compliance Questionnaire help schools meet these requirements. If the school is exempt from following the School District Procurement Rules, the audit firm should indicate “N/A” on Procurement questions and cite the exemption in the Comments section.

Audit firms must complete the Legal Compliance Questionnaire in accordance with the requirements prescribed below. The Arizona Auditor General may reject those Legal Compliance Questionnaires not meeting the minimum requirements.

- Audit firms must obtain sufficient, appropriate evidence annually for each question to satisfactorily determine whether the school complied with the legal requirements. The audit documentation must support the comments and the evidence must be included in the audit documentation. If the evidence was obtained and documented during the financial statement audit, it may be referenced to answer questions.

- The 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. Sufficient documented evidence of approval includes signatures/initials and dates.

- Consider the school’s transaction types and population size when determining the number of items to test. The items selected should be representative of the population. Also, additional instructions in the Procurement and Student Attendance Reporting sections prescribe minimum sample sizes that must be used for specific questions.

- 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 1 transaction, record, or item is not sufficient.

- The audit firm should expand the sample size if it cannot clearly determine whether the school is in compliance with the legal requirements of the question.

- For questions related to the establishment of policies and procedures, the audit firm must perform sufficient test work to determine that the procedures were implemented, followed, and systematically communicated to employees.

- A “Yes” answer indicates that the audit firm has determined that the school appears in compliance with the legal requirements on that question, and a “No” answer indicates the school did not comply. However, the final determination of compliance on each question, as well as overall compliance with legal requirements, is made by the Arizona Auditor General based on the evidence presented in the questionnaire, audit reports, audit documentation, and any other sources of information available.

- The audit firm must adequately explain all “No” answers in the comments column or in an attachment. Deficiencies must be described in sufficient detail to enable the Arizona Auditor General to determine the nature and significance of the deficiency for: (a) assessing compliance with legal requirements and (b) appropriately describing the deficiency in a report. The description should include the number of items tested and the number of exceptions noted, or dollar amount of error, and any other relevant information that would provide context for the deficiency.

- The audit firm must adequately explain all “N/A” answers in the comments column, unless the reason for the N/A is obvious.

- The questions in the legal compliance questionnaire do not address all legal requirements. If the audit firm is aware of noncompliance with a legal requirement that is not addressed in the questionnaire, including the School District Procurement Rules and the Arizona Department of Education’s (ADE’s) membership and attendance guidelines, the audit firm should include the compliance findings in its reports issued in accordance with Governmental Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), if applicable, or an attachment to this
Legal Compliance Questionnaire

questionnaire. Findings in the attachment should include the same level of detail required for “No” and “N/A” answers as discussed above.

The audit firm must make the resulting audit documentation supporting the audit firm’s answers on the questionnaire available on request for the Arizona Auditor General’s and ADE’s review. To facilitate this review, the audit firm may wish to include in the audit documentation a copy of the questionnaire with references to the audit procedures performed for each question.
Legal Compliance Questionnaire

Budgets

1. Were the proposed budget and a notice of public hearing/governing board meeting to adopt a budget uploaded for posting on ADE’s website no later than 10 days prior to the meeting to adopt, and if the school maintains a website, were the proposed budget or budget summary and hearing notification posted on the school’s website? A.R.S. §15-185(M)

   Yes

2. Was the budget adopted no later than July 15 and filed electronically with the Superintendent of Public Instruction by July 18? A.R.S. §15-905(B) and (E)

   No
   See comment #1

3. Was the adopted budget mathematically accurate and did it include all school expenses?

   Yes

4. If the school revised the adopted budget, was the revision completed before May 15, and filed electronically with the Superintendent of Public Instruction by May 18? A.R.S. §15-905(I)

   Yes

Procurement

For Procurement question 1, the audit firm must select and test a specified number of procurements performed during the fiscal year based on the school’s ADM as shown in the table below. Auditors should consider multiple transactions, including those made by credit card with vendors, purchases of like items, and multi-year contracts to determine the appropriate level of competitive purchasing required. However, question 1 should be answered only for contracts awarded during the fiscal year.

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.

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Sample Size</th>
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<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
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<tr>
<td>1,000-5,000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>15</td>
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</tbody>
</table>

In the parentheses provided in question 1, indicate the actual number of procurements tested. If all procurements were tested, indicate such in the “Comments” column. For question 1, at least 40 percent of the number of procurements tested must be for purchases made through competitive sealed bids and at least 40 percent of the number of procurements tested must be for purchases made through competitive sealed proposals. If these 40 percent thresholds cannot be met due to an inadequate population size, the audit firm must test all procurements made through competitive sealed bids or made through competitive sealed proposals. Of the procurements selected above, at least 1 procurement should be for traditional construction (design-bid-build), and at least 1 procurement should be for construction-manager-at-risk, design-build, job order contracting (Question 1.d), if applicable.

1. Based upon review of (____) procurements [____ competitive sealed bids and ____competitive sealed proposals] for the procurement of construction, materials, and services that exceeded $100,000, did the school follow the School District Procurement Rules (R7-2-1001 et seq):

   a. For purchases made through competitive sealed bidding or competitive sealed proposals, did the school:

      1) Publish and provide other adequate notice, as applicable, of the invitation for bid (IFB) or request for proposal (RFP)? R7-2-1022 or R7-2-1042(C)

         N/A

         School is exempt from procurement
2) Compile and maintain a list of persons who requested to be added to a list of prospective bidders, if any, and furnish those bidders with notice of available bids? R7-2-1023 and R7-2-1024(C)  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

3) Issue the IFB or RFP at least 14 days before the time and date set for bid opening or the closing date and time for receipt of proposals, and include all the required information, as applicable? R7-2-1024 or R7-2-1042  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
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</table>

4) Record the time and date sealed bids or proposals were received and store bids or proposals unopened until the time and date set for opening? R7-2-1029 or R7-2-1045  

<table>
<thead>
<tr>
<th>Yes/No</th>
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<tr>
<td>N/A</td>
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</table>

5) Establish and follow procedures for the award and use of multiple contracts, if any. R7-2-1031(D) and R7-2-1050©?  

<table>
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<tr>
<th>Yes/No</th>
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<tr>
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6) Follow the requirements of R7-2-1032 or R7-2-1046(A)(1) for contracts where only 1 responsive bid or proposal was received, if any, and retain documentation for that determination?  

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<tr>
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<tr>
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</table>

b. For purchases made through competitive sealed bidding, did the school award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the IFB? (Note: If the answer is “No,” the “Comments” should specifically indicate which requirements were not complied with.) R7-2-1031  

<table>
<thead>
<tr>
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<tr>
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</table>

c. For purchases made through competitive sealed proposals, did the school award the contract to the offeror whose proposal was determined, with specific reason(s) in writing, to be most advantageous to the school based on the factors set forth in the RFP and retain documentation that supported the basis for the determination? (Note: If the answer is “No,” the “Comments” should specifically indicate which requirements were not complied with.) R7-2-1050  

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d. If the school used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the school comply with the requirements of R7-2-1100 through R7-2-1115? (Note: If the answer is “No”, the “Comments” should specifically indicate which requirements were not complied with.)  

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<tr>
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e. Did the school have a signed procurement disclosure statement for all employees with job responsibilities related to each procurement or for non-employee consultants or technical advisors involved in each procurement process? R7-2-1008(C) and R7-2-1015  

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<tr>
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Legal Compliance Questionnaire

f. Did the school prepare written determinations, as required throughout the procurement rules, including how the determination was made? R7-2-1004

<table>
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2. Based upon review of all emergency and sole source procurements:

   a. Was the basis for each emergency procurement reasonable and did the school retain a written statement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements? R7-2-1055 and R7-2-1056

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</table>

3. Were purchases under General Services Administration schedules 70-IT and 84- Law Enforcement contracts authorized by the Governing Board prior to making any purchases? A.R.S. §15-213(K) and R7-2-1196(C)

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4. Did the school have a cooperative purchasing agreement on file for each cooperative it used and only purchase from cooperative contracts it was a member of or use only lead entity contracts that it was listed as a member of in the solicitation or ensure its additional purchases would not have materially increased the volume stated in the original solicitation? R7-2-1191 through R7-2-1195

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<tr>
<td>N/A</td>
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5. Did the school perform and document due diligence for a sample of contracts for each cooperative or lead entity contract the school made purchases from during the audit period? (Note: Indicate below the name of each cooperative or lead entity the school purchased through and whether the cooperative or lead entity complied with the School District Procurement Rules.) R7-2-1191(D)

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<tr>
<td>N/A</td>
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Cooperative/ lead entity:

__________________________
__________________________
__________________________
__________________________
__________________________
## Legal Compliance Questionnaire

6. Did the school prepare written determinations for any specified professional services, construction, construction services, or materials purchased through a school purchasing cooperative, including how the determination was made? R7-2-1004  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

### Expenses

1. Did the school properly allocate Classroom Site Project receipts among the following projects: 1011—Base Salary (20%), 1012—Performance Pay (40%), and 1013—Other (40%)? A.R.S. §15-977  

<table>
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<th>Yes/No</th>
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2. For Project 1011, were expenses only for teacher base salary increases and employment-related expenses?  

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<th>Yes/No</th>
<th>Comments</th>
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3. For Project 1012, were expenses only for governing-board-approved performance-based teacher compensation increases and employment-related expenses?  

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<th>Yes/No</th>
<th>Comments</th>
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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 and not used for school-sponsored athletics?  

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5. Did the school use Classroom Site Project monies to supplement, rather than supplant, existing funding from all other sources? (See USFRCS Memorandum No. 44 for guidance on Classroom Site Projects.)  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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</table>

6. If the school had monies remaining at year-end in any of the 3 Classroom Site Projects (1011, 1012, and 1013), were those monies carried forward in the same projects to ensure that the restrictions placed on the original allocation of revenues is applied in future years?  

<table>
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<tr>
<th>Yes/No</th>
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7. Were the school’s extracurricular activities fees tax credit monies only expended for eligible activities that qualified under A.R.S. §§43-1089.01 and 15-342(24)?  

<table>
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<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>Yes</td>
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</table>

### Personnel

1. Did the school ensure that valid fingerprint clearance cards were on file for all required personnel and a method to identify employees whose cards were going to expire was in place? A.R.S. §§15-512, 15-342, and 41-1750  

<table>
<thead>
<tr>
<th>Yes/No</th>
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<tbody>
<tr>
<td>Yes</td>
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2. Did the school enroll employees who met the Arizona State Retirement System (ASRS) membership criteria, withheld employee contributions, and in a timely manner remitted employee and school contributions in accordance with the ASRS Employer Manual?  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>Yes</td>
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</table>

3. Did the school accurately calculate and in a timely manner remit the alternative contribution rate payments to ASRS for all applicable positions filled by ASRS retirees?  

<table>
<thead>
<tr>
<th>Yes/No</th>
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<tbody>
<tr>
<td>Yes</td>
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</table>
Legal Compliance Questionnaire

4. Did the school reimburse allowable travel expenses (lodging, meals, and incidentals) and mileage reimbursements within the maximum reimbursement amounts the Internal Revenue Service (IRS) established or include as taxable income on the employee’s Form W-2 amounts reimbursed when no overnight stay or substantial sleep/rest occurred, and any amount reimbursed in excess of the IRS limits?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>Yes</td>
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Financial Reporting

1. Was the Annual Financial Report (AFR) electronically submitted to the Superintendent of Public Instruction by October 15, and if the school maintains a website, did the school provide a link on its website to ADE’s website where the school’s AFR could be viewed by November 15? A.R.S. §15-904(A)

   | Yes   |         |

2. Did budgeted expenses as reported on the AFR agree with the school’s most recently revised adopted budget?

   | Yes   |         |

3. Did actual revenues and expenses as reported on the AFR agree with the school’s accounting records and applicable supporting documentation, with no transactions or adjusting entries posted after preparing the AFR?

   | Yes   |         |

4. Did the school properly code its transactions in accordance with the USFRC’s Chart of Accounts or maintain a crosswalk of its accounts so it could accurately report information in the AFR?

   | Yes   |         |

5. Was all required information in the AFR, including supplementary information on pages 7 and 8? A.R.S. §15-905

   | Yes   |         |

6. Was the Classroom Site Project Narrative Summary electronically submitted to the Superintendent of Public Instruction by November 15? A.R.S. §15-977(J)

   | Yes   |         |

7. Did the school prominently post average teacher salary information on its website home page separately from its budget? A.R.S. §15-189.05

   | 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 “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.
Legal Compliance Questionnaire

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

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
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</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
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<tr>
<td>1,000-5,000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>15</td>
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</tbody>
</table>

N/A
Program not offered by School

For question 3, use the following sample sizes:

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

For question 4-7, use the following sample sizes:

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>3</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>5</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>7</td>
</tr>
</tbody>
</table>

N/A
No students enrolled in less than 4 subjects

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 that school site (excluding CTED program classes) under the school’s CTDS number?

N/A
Program not offered by School

For schools offering an AOI program, based upon review of (0) AOI students’ attendance records for 4 weeks; (ADE’s guideline SF-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
Program not offered by School

b. Did the hours reported to ADE agree to the guardian-approved or school computer-generated daily log?

N/A
Program not offered by School

c. Were all students who participated in an AOI program residents of this state? A.R.S. §15-808(B)

N/A
Program not offered by School

d. Was the student’s Intended Full Time Equivalency Enrollment Statement maintained?

N/A
Program not offered by School
Legal Compliance Questionnaire

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 AOE Program following a student’s withdrawal or after the end of the school year?  
   Yes/No: N/A  
   Comments: Program not offered by School

For question 8-12, use the following sample sizes:

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Entries/Withdrawals</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>15</td>
</tr>
</tbody>
</table>

8. Based upon review of (2) 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/No: N/A  
   Comments: Total population tested

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/No: 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/No: Yes

   b. Did the entry date in the computerized attendance system agree to the entry form?  
      Yes/No: 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/No: 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/No: 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)  
    Yes/No: Yes

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 10th day of unexcused absence for students withdrawn for having 10 consecutive unexcused absences.)  
      Yes/No: Yes
Legal Compliance Questionnaire

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.)*

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Yes</td>
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</table>

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.)*

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>See comment #2</td>
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</table>

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?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
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<td>Yes</td>
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</table>

15. For students participating in distance learning, did the school follow attendance procedures defined in the distance learning plan approved by ADE?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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Records Management


<table>
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<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Yes</td>
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</table>

2. Did the school follow policies and procedures to protect the security, maintenance, and disposition of personally identifiable information and confidential records, such as student and employee information and social security numbers?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>Yes</td>
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</table>

Open Meeting Law

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? A.R.S. §38-431.02(A)(1)(a)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Yes</td>
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</table>

2. Did the school post all public meeting notices and agendas on its website? A.R.S. §38-431.02(A)(1)(b) and (G)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Yes</td>
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</table>

3. Were notices and agendas of public meetings posted at the designated physical and electronic locations at least 24 hours before the meeting? A.R.S. §38-431.02(C) and (G)

<table>
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<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
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<td>Yes</td>
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</table>

4. Did the school prepare and maintain written minutes or records for governing board meetings? A.R.S. §38-431.01(B)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
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<td>Yes</td>
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</table>

This questionnaire was completed in accordance with the requirements of the Arizona Auditor General as set forth in the instructions on pages 2 and 3.

Fester & Chapman, PLLC

Audit Firm

Preparer (Audit Firm Representative)

March 31, 2022

Date

Director

Title
1. The School’s adopted budget was not filed electronically with the Superintendent of Public Instruction by July 18th.

2. The School's 100th day membership and absences data uploaded to ADE (ADM15) did not agree to the School's computerized attendance system records. Membership days were underreported by approximately 100 days, and absence days were overreported by approximately 525 days.
ASU Preparatory Academy (078205000)

Legal Compliance Questionnaire

Year Ended June 30, 2021
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
ASU Preparatory Academy (078205000)
Tempe, Arizona

We have performed the procedures enumerated below on evaluating ASU Preparatory Academy (078205000)'s (the School, a nonprofit organization) compliance with the 6/21 version of the Arizona State Board for Charter Schools Legal Compliance Questionnaire (LCQ) as of and for the year ended June 30, 2021. the School’s management is responsible for compliance.

The School and the Arizona State Board for Charter Schools have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the School's compliance with the LCQ requirements. This report may not be suitable for any other purpose. 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 associated findings are included with the 6/21 version of the Arizona State Board for Charter Schools Legal Compliance Questionnaire following this report.

We were engaged by the School 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 the School's compliance with the LCQ requirements. 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the School and the Arizona State Board for Charter Schools, and is not intended to be and should not be used by anyone other than those specified parties.

March 31, 2022
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
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<tbody>
<tr>
<td>Instructions</td>
<td>2</td>
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<tr>
<td>Budgets</td>
<td>4</td>
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<td>Procurement</td>
<td>4</td>
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<td>Expenses</td>
<td>7</td>
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<td>Personnel</td>
<td>7</td>
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<tr>
<td>Financial Reporting</td>
<td>8</td>
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<tr>
<td>Student Attendance Reporting</td>
<td>8</td>
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<tr>
<td>Records Management</td>
<td>11</td>
</tr>
<tr>
<td>Open Meeting Law</td>
<td>11</td>
</tr>
</tbody>
</table>
Legal Compliance Questionnaire

Instructions

In order to determine whether a charter school that is exempt from the requirements of the Uniform System of Financial Records for Arizona Charter Schools (USFRCS) complied with applicable legal requirements, the audit firm must complete the following Legal Compliance Questionnaire.

Schools are required by Arizona Revised Statutes (A.R.S.) §§15-213(F) and 15-914(G) to have a systematic review of their purchasing practices and average daily membership (ADM), respectively, performed in conjunction with their audit to determine whether the school is in compliance with the applicable procurement and student attendance laws and rules of the State of Arizona. The Procurement and Student Attendance Reporting questions included in the Legal Compliance Questionnaire help schools meet these requirements. If the school is exempt from following the School District Procurement Rules, the audit firm should indicate “N/A” on Procurement questions and cite the exemption in the Comments section.

Audit firms must complete the Legal Compliance Questionnaire in accordance with the requirements prescribed below. The Arizona Auditor General may reject those Legal Compliance Questionnaires not meeting the minimum requirements.

♦ Audit firms must obtain sufficient, appropriate evidence annually for each question to satisfactorily determine whether the school complied with the legal requirements. The audit documentation must support the comments and the evidence must be included in the audit documentation. If the evidence was obtained and documented during the financial statement audit, it may be referenced to answer questions.

♦ The 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. Sufficient documented evidence of approval includes signatures/initials and dates.

♦ Consider the school’s transaction types and population size when determining the number of items to test. The items selected should be representative of the population. Also, additional instructions in the Procurement and Student Attendance Reporting sections prescribe minimum sample sizes that must be used for specific questions.

♦ 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 1 transaction, record, or item is not sufficient.

♦ The audit firm should expand the sample size if it cannot clearly determine whether the school is in compliance with the legal requirements of the question.

♦ For questions related to the establishment of policies and procedures, the audit firm must perform sufficient test work to determine that the procedures were implemented, followed, and systematically communicated to employees.

♦ A “Yes” answer indicates that the audit firm has determined that the school appears in compliance with the legal requirements on that question, and a “No” answer indicates the school did not comply. However, the final determination of compliance on each question, as well as overall compliance with legal requirements, is made by the Arizona Auditor General based on the evidence presented in the questionnaire, audit reports, audit documentation, and any other sources of information available.

♦ The audit firm must adequately explain all “No” answers in the comments column or in an attachment. Deficiencies must be described in sufficient detail to enable the Arizona Auditor General to determine the nature and significance of the deficiency for: (a) assessing compliance with legal requirements and (b) appropriately describing the deficiency in a report. The description should include the number of items tested and the number of exceptions noted, or dollar amount of error, and any other relevant information that would provide context for the deficiency.

♦ The audit firm must adequately explain all “N/A” answers in the comments column, unless the reason for the N/A is obvious.

♦ The questions in the legal compliance questionnaire do not address all legal requirements. If the audit firm is aware of noncompliance with a legal requirement that is not addressed in the questionnaire, including the School District Procurement Rules and the Arizona Department of Education’s (ADE’s) membership and attendance guidelines, the audit firm should include the compliance findings in its reports issued in accordance with Governmental Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), if applicable, or an attachment to this...
Legal Compliance Questionnaire

questionnaire. Findings in the attachment should include the same level of detail required for “No” and “N/A” answers as discussed above.

The audit firm must make the resulting audit documentation supporting the audit firm’s answers on the questionnaire available on request for the Arizona Auditor General’s and ADE’s review. To facilitate this review, the audit firm may wish to include in the audit documentation a copy of the questionnaire with references to the audit procedures performed for each question.
Legal Compliance Questionnaire

Budgets

1. Were the proposed budget and a notice of public hearing/governing board meeting to adopt a budget uploaded for posting on ADE’s website no later than 10 days prior to the meeting to adopt, and if the school maintains a website, were the proposed budget or budget summary and hearing notification posted on the school’s website? A.R.S. §15-185(M)

   Yes

2. Was the budget adopted no later than July 15 and filed electronically with the Superintendent of Public Instruction by July 18? A.R.S. §15-905(B) and (E)

   No
   See comment #1

3. Was the adopted budget mathematically accurate and did it include all school expenses?

   Yes

4. If the school revised the adopted budget, was the revision completed before May 15, and filed electronically with the Superintendent of Public Instruction by May 18? A.R.S. §15-905(I)

   Yes

Procurement

For Procurement question 1, the audit firm must select and test a specified number of procurements performed during the fiscal year based on the school’s ADM as shown in the table below. Auditors should consider multiple transactions, including those made by credit card with vendors, purchases of like items, and multi-year contracts to determine the appropriate level of competitive purchasing required. However, question 1 should be answered only for contracts awarded during the fiscal year.

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.

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>15</td>
</tr>
</tbody>
</table>

In the parentheses provided in question 1, indicate the actual number of procurements tested. If all procurements were tested, indicate such in the “Comments” column. For question 1, at least 40 percent of the number of procurements tested must be for purchases made through competitive sealed bids and at least 40 percent of the number of procurements tested must be for purchases made through competitive sealed proposals. If these 40 percent thresholds cannot be met due to an inadequate population size, the audit firm must test all procurements made through competitive sealed bids or made through competitive sealed proposals. Of the procurements selected above, at least 1 procurement should be for traditional construction (design-bid-build), and at least 1 procurement should be for construction-manager-at-risk, design-build, job order contracting (Question 1.d), if applicable.

1. Based upon review of (____) procurements [ ____ competitive sealed bids and ____ competitive sealed proposals] for the procurement of construction, materials, and services that exceeded $100,000, did the school follow the School District Procurement Rules (R7-2-1001 et seq):

   a. For purchases made through competitive sealed bidding or competitive sealed proposals, did the school:

      1) Publish and provide other adequate notice, as applicable, of the invitation for bid (IFB) or request for proposal (RFP)? R7-2-1022 or R7-2-1042(C)

         N/A
         School is exempt from procurement
2) Compile and maintain a list of persons who requested to be added to a list of prospective bidders, if any, and furnish those bidders with notice of available bids? R7-2-1023 and R7-2-1024(C)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

3) Issue the IFB or RFP at least 14 days before the time and date set for bid opening or the closing date and time for receipt of proposals, and include all the required information, as applicable? R7-2-1024 or R7-2-1042 (Note: If the answer is “No,” the “Comments” must specifically indicate which requirements were not complied with.)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

4) Record the time and date sealed bids or proposals were received and store bids or proposals unopened until the time and date set for opening? R7-2-1029 or R7-2-1045

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</tbody>
</table>

5) Establish and follow procedures for the award and use of multiple contracts, if any. R7-2-1031(D) and R7-2-1050©?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

6) Follow the requirements of R7-2-1032 or R7-2-1046(A)(1) for contracts where only 1 responsive bid or proposal was received, if any, and retain documentation for that determination?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

b. For purchases made through competitive sealed bidding, did the school award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the IFB? (Note: If the answer is “No,” the “Comments” should specifically indicate which requirements were not complied with.) R7-2-1031

<table>
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<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

c. For purchases made through competitive sealed proposals, did the school award the contract to the offeror whose proposal was determined, with specific reason(s) in writing, to be most advantageous to the school based on the factors set forth in the RFP and retain documentation that supported the basis for the determination? (Note: If the answer is “No,” the “Comments” should specifically indicate which requirements were not complied with.) R7-2-1050

<table>
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<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</tbody>
</table>

d. If the school used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the school comply with the requirements of R7-2-1100 through R7-2-1115? (Note: If the answer is “No”, the “Comments” should specifically indicate which requirements were not complied with.)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

e. Did the school have a signed procurement disclosure statement for all employees with job responsibilities related to each procurement or for non-employee consultants or technical advisors involved in each procurement process? R7-2-1008(C) and R7-2-1015

<table>
<thead>
<tr>
<th>Yes/No</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>
f. Did the school prepare written determinations, as required throughout the procurement rules, including how the determination was made? R7-2-1004

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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<tr>
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<td>School is exempt from procurement</td>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

h. For multi-term contracts for materials or services and contracts for job-order-contracting construction services that were entered into for more than 5 years, did the Governing Board determine in writing that a contract of longer duration would be advantageous to the school before the procurement solicitation was issued? A.R.S. §15-213(L) and R7-2-1093

2. Based upon review of all emergency and sole source procurements:

a. Was the basis for each emergency procurement reasonable and did the school retain a written statement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements? R7-2-1055 and R7-2-1056

<table>
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<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

b. Did the Governing Board approve all sole-source procurements before any purchases were made and retain the written determinations in the procurement files? R7-2-1053 and R7-2-1086

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<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</tbody>
</table>

3. Were purchases under General Services Administration schedules 70-IT and 84- Law Enforcement contracts authorized by the Governing Board prior to making any purchases? A.R.S. §15-213(K) and R7-2-1196(C)

<table>
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<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

4. Did the school have a cooperative purchasing agreement on file for each cooperative it used and only purchase from cooperative contracts it was a member of or use only lead entity contracts that it was listed as a member of in the solicitation or ensure its additional purchases would not have materially increased the volume stated in the original solicitation? R7-2-1191 through R7-2-1195

<table>
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<tr>
<th>Yes/No</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

5. Did the school perform and document due diligence for a sample of contracts for each cooperative or lead entity contract the school made purchases from during the audit period? (Note: Indicate below the name of each cooperative or lead entity the school purchased through and whether the cooperative or lead entity complied with the School District Procurement Rules.) R7-2-1191(D)

Cooperative/lead entity:

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6. Did the school prepare written determinations for any specified professional services, construction, construction services, or materials purchased through a school purchasing cooperative, including how the determination was made? R7-2-1004

<table>
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<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

**Expenses**

1. Did the school properly allocate Classroom Site Project receipts among the following projects: 1011—Base Salary (20%), 1012—Performance Pay (40%), and 1013—Other (40%)? A.R.S. §15-977

| 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 governing-board-approved 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 and not used for school-sponsored athletics?

| Yes | |

5. Did the school use Classroom Site Project monies to supplement, rather than supplant, existing funding from all other sources? (See USFRCS Memorandum No. 44 for guidance on Classroom Site Projects.)

| Yes | |

6. If the school had monies remaining at year-end in any of the 3 Classroom Site Projects (1011, 1012, and 1013), were those monies carried forward in the same projects to ensure that the restrictions placed on the original allocation of revenues is applied in future years?

| Yes | |

7. Were the school’s extracurricular activities fees tax credit monies only expended for eligible activities that qualified under A.R.S. §§43-1089.01 and 15-342(24)?

| Yes | |

**Personnel**

1. Did the school ensure that valid fingerprint clearance cards were on file for all required personnel and a method to identify employees whose cards were going to expire was in place? A.R.S. §§15-512, 15-342, and 41-1750

| Yes | |

2. Did the school enroll employees who met the Arizona State Retirement System (ASRS) membership criteria, withheld employee contributions, and in a timely manner remitted employee and school contributions in accordance with the ASRS Employer Manual?

| Yes | |

3. Did the school accurately calculate and in a timely manner remit the alternative contribution rate payments to ASRS for all applicable positions filled by ASRS retirees?

| Yes | |
4. Did the school reimburse allowable travel expenses (lodging, meals, and incidentals) and mileage reimbursements within the maximum reimbursement amounts the Internal Revenue Service (IRS) established or include as taxable income on the employee’s Form W-2 amounts reimbursed when no overnight stay or substantial sleep/rest occurred, and any amount reimbursed in excess of the IRS limits?

Yes/No  Comments
Yes

Financial Reporting

1. Was the Annual Financial Report (AFR) electronically submitted to the Superintendent of Public Instruction by October 15, and if the school maintains a website, did the school provide a link on its website to ADE’s website where the school’s AFR could be viewed by November 15? A.R.S. §15-904(A)

Yes

2. Did budgeted expenses as reported on the AFR agree with the school’s most recently revised adopted budget?

Yes

3. Did actual revenues and expenses as reported on the AFR agree with the school’s accounting records and applicable supporting documentation, with no transactions or adjusting entries posted after preparing the AFR?

Yes

4. Did the school properly code its transactions in accordance with the USFRC’s Chart of Accounts or maintain a crosswalk of its accounts so it could accurately report information in the AFR?

Yes

5. Was all required information in the AFR, including supplementary information on pages 7 and 8? A.R.S. §15-905

Yes

6. Was the Classroom Site Project Narrative Summary electronically submitted to the Superintendent of Public Instruction by November 15? A.R.S. §15-977(J)

Yes

7. Did the school prominently post average teacher salary information on its website home page separately from its budget? A.R.S. §15-189.05

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 “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 (___) 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

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>10</td>
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<tr>
<td>&gt;5,000</td>
<td>15</td>
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</table>

N/A  Program not offered by School

For question 3, use the following sample sizes:

3. Based upon review of (___) 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

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
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<tbody>
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</table>

Yes

For question 4-7, use the following sample sizes:

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?

5. For schools—Based on a 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 that school site (excluding CTED program classes) under the school’s CTDS number?

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
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<tbody>
<tr>
<td>&lt;1,000</td>
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<td>1,000-5,000</td>
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</table>

N/A  School is grades K-4

6. For schools offering an AOI program, based upon review of (___) AOI students’ attendance records for 4 weeks: (ADE’s guideline SF-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)

   b. Did the hours reported to ADE agree to the guardian-approved or school computer-generated daily log?

   c. Were all students who participated in an AOI program residents of this state? A.R.S. §15-808(B)

   d. Was the student’s Intended Full Time Equivalency Enrollment Statement maintained?

N/A  Program not offered by School

N/A  Program not offered by School

N/A  Program not offered by School

N/A  Program not offered by School
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?  

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<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Entries/Withdrawals</th>
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<tbody>
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<td>1,000-5,000</td>
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<tr>
<td>&gt;5,000</td>
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</table>

8. Based upon review of (_2_) 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)  

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)  

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?  
   
   b. Did the entry date in the computerized attendance system agree to the entry form?  
   
   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  
   
   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  

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)  

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 10th day of unexcused absence for students withdrawn for having 10 consecutive unexcused absences.)  

Yes/No | Comments
---|---

N/A | Program not offered by School
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

   Comments

 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.)

   No

   See comment #2

 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

Records Management

1. Did the school dispose of records in accordance with the General Retention Schedules for Education K-12 published by the Arizona State Library, Archives and Public Records? (http://apps.azlibrary.gov/records/general.aspx)

   Yes

2. Did the school follow policies and procedures to protect the security, maintenance, and disposition of personally identifiable information and confidential records, such as student and employee information and social security numbers?

   Yes

Open Meeting Law

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? A.R.S. §38-431.02(A)(1)(a)

   Yes

2. Did the school post all public meeting notices and agendas on its website? A.R.S. §38-431.02(A)(1)(b) and (G)

   Yes

3. Were notices and agendas of public meetings posted at the designated physical and electronic locations at least 24 hours before the meeting? A.R.S. §38-431.02(C) and (G)

   Yes

4. Did the school prepare and maintain written minutes or records for governing board meetings? A.R.S. §38-431.01(B)

   Yes

This questionnaire was completed in accordance with the requirements of the Arizona Auditor General as set forth in the instructions on pages 2 and 3.

Fester & Chapman, PLLC
Audit Firm

Preparer (Audit Firm Representative)

March 31, 2022
Date

Director

Title
ASU Preparatory Academy (078205000)

June 30, 2021

Comments

1. The School’s adopted budget was not filed electronically with the Superintendent of Public Instruction by July 18th.

2. The School's 100th day absence data uploaded to ADE (ADM15) did not agree to the School's computerized attendance system records. Absence days were overreported by approximately 39 days.
ASU Preparatory Academy (118716000)

Legal Compliance Questionnaire

Year Ended June 30, 2021
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
ASU Preparatory Academy (118716000)
Tempe, Arizona

We have performed the procedures enumerated below on evaluating ASU Preparatory Academy (118716000)'s (the School, a nonprofit organization) compliance with the 6/21 version of the Arizona State Board for Charter Schools Legal Compliance Questionnaire (LCQ) as of and for the year ended June 30, 2021. The School’s management is responsible for compliance.

The School and the Arizona State Board for Charter Schools have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the School's compliance with the LCQ requirements. This report may not be suitable for any other purpose. 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 associated findings are included with the 6/21 version of the Arizona State Board for Charter Schools Legal Compliance Questionnaire following this report.

We were engaged by the School 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 the School's compliance with the LCQ requirements. 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the School and the Arizona State Board for Charter Schools, and is not intended to be and should not be used by anyone other than those specified parties.

March 31, 2022
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Legal Compliance Questionnaire

Instructions

In order to determine whether a charter school that is exempt from the requirements of the Uniform System of Financial Records for Arizona Charter Schools (USFRCS) complied with applicable legal requirements, the audit firm must complete the following Legal Compliance Questionnaire.

Schools are required by Arizona Revised Statutes (A.R.S.) §§15-213(F) and 15-914(G) to have a systematic review of their purchasing practices and average daily membership (ADM), respectively, performed in conjunction with their audit to determine whether the school is in compliance with the applicable procurement and student attendance laws and rules of the State of Arizona. The Procurement and Student Attendance Reporting questions included in the Legal Compliance Questionnaire help schools meet these requirements. If the school is exempt from following the School District Procurement Rules, the audit firm should indicate “N/A” on Procurement questions and cite the exemption in the Comments section.

Audit firms must complete the Legal Compliance Questionnaire in accordance with the requirements prescribed below. The Arizona Auditor General may reject those Legal Compliance Questionnaires not meeting the minimum requirements.

♦ Audit firms must obtain sufficient, appropriate evidence annually for each question to satisfactorily determine whether the school complied with the legal requirements. The audit documentation must support the comments and the evidence must be included in the audit documentation. If the evidence was obtained and documented during the financial statement audit, it may be referenced to answer questions.

♦ The 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. Sufficient documented evidence of approval includes signatures/initials and dates.

♦ Consider the school’s transaction types and population size when determining the number of items to test. The items selected should be representative of the population. Also, additional instructions in the Procurement and Student Attendance Reporting sections prescribe minimum sample sizes that must be used for specific questions.

♦ 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 1 transaction, record, or item is not sufficient.

♦ The audit firm should expand the sample size if it cannot clearly determine whether the school is in compliance with the legal requirements of the question.

♦ For questions related to the establishment of policies and procedures, the audit firm must perform sufficient test work to determine that the procedures were implemented, followed, and systematically communicated to employees.

♦ A “Yes” answer indicates that the audit firm has determined that the school appears in compliance with the legal requirements on that question, and a “No” answer indicates the school did not comply. However, the final determination of compliance on each question, as well as overall compliance with legal requirements, is made by the Arizona Auditor General based on the evidence presented in the questionnaire, audit reports, audit documentation, and any other sources of information available.

♦ The audit firm must adequately explain all “No” answers in the comments column or in an attachment. Deficiencies must be described in sufficient detail to enable the Arizona Auditor General to determine the nature and significance of the deficiency for: (a) assessing compliance with legal requirements and (b) appropriately describing the deficiency in a report. The description should include the number of items tested and the number of exceptions noted, or dollar amount of error, and any other relevant information that would provide context for the deficiency.

♦ The audit firm must adequately explain all “N/A” answers in the comments column, unless the reason for the N/A is obvious.

♦ The questions in the legal compliance questionnaire do not address all legal requirements. If the audit firm is aware of noncompliance with a legal requirement that is not addressed in the questionnaire, including the School District Procurement Rules and the Arizona Department of Education’s (ADE’s) membership and attendance guidelines, the audit firm should include the compliance findings in its reports issued in accordance with Governmental Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), if applicable, or an attachment to this
Legal Compliance Questionnaire

questionnaire. Findings in the attachment should include the same level of detail required for “No” and “N/A” answers as discussed above.

The audit firm must make the resulting audit documentation supporting the audit firm’s answers on the questionnaire available on request for the Arizona Auditor General’s and ADE’s review. To facilitate this review, the audit firm may wish to include in the audit documentation a copy of the questionnaire with references to the audit procedures performed for each question.
Legal Compliance Questionnaire

Budgets

1. Were the proposed budget and a notice of public hearing/governing board meeting to adopt a budget uploaded for posting on ADE’s website no later than 10 days prior to the meeting to adopt, and if the school maintains a website, were the proposed budget or budget summary and hearing notification posted on the school’s website? A.R.S. §15-185(M)
   Yes

2. Was the budget adopted no later than July 15 and filed electronically with the Superintendent of Public Instruction by July 18? A.R.S. §15-905(B) and (E)
   No
   See comment #1

3. Was the adopted budget mathematically accurate and did it include all school expenses?
   Yes

4. If the school revised the adopted budget, was the revision completed before May 15, and filed electronically with the Superintendent of Public Instruction by May 18? A.R.S. §15-905(I)
   Yes

Procurement

For Procurement question 1, the audit firm must select and test a specified number of procurements performed during the fiscal year based on the school’s ADM as shown in the table below. Auditors should consider multiple transactions, including those made by credit card with vendors, purchases of like items, and multi-year contracts to determine the appropriate level of competitive purchasing required. However, question 1 should be answered only for contracts awarded during the fiscal year.

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.

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<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Sample Size</th>
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<tr>
<td>&lt;1,000</td>
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<td>1,000-5,000</td>
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<td>&gt;5,000</td>
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In the parentheses provided in question 1, indicate the actual number of procurements tested. If all procurements were tested, indicate such in the “Comments” column. For question 1, at least 40 percent of the number of procurements tested must be for purchases made through competitive sealed bids and at least 40 percent of the number of procurements tested must be for purchases made through competitive sealed proposals. If these 40 percent thresholds cannot be met due to an inadequate population size, the audit firm must test all procurements made through competitive sealed bids or made through competitive sealed proposals. Of the procurements selected above, at least 1 procurement should be for traditional construction (design-bid-build), and at least 1 procurement should be for construction-manager-at-risk, design-build, job order contracting (Question 1.d), if applicable.

1. Based upon review of (____) procurements [__competitive sealed bids and ___competitive sealed proposals] for the procurement of construction, materials, and services that exceeded $100,000, did the school follow the School District Procurement Rules (R7-2-1001 et seq):
   a. For purchases made through competitive sealed bidding or competitive sealed proposals, did the school:
   
   1) Publish and provide other adequate notice, as applicable, of the invitation for bid (IFB) or request for proposal (RFP)? R7-2-1022 or R7-2-1042(C)
   
   N/A
   School is exempt from procurement

Arizona Auditor General
revised 6/21
Page 4 of 11
2) Compile and maintain a list of persons who requested to be added to a list of prospective bidders, if any, and furnish those bidders with notice of available bids? R7-2-1023 and R7-2-1024(C)  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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</table>

3) Issue the IFB or RFP at least 14 days before the time and date set for bid opening or the closing date and time for receipt of proposals, and include all the required information, as applicable? R7-2-1024 or R7-2-1042  

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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4) Record the time and date sealed bids or proposals were received and store bids or proposals unopened until the time and date set for opening? R7-2-1029 or R7-2-1045  

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<tr>
<th>Yes/No</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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5) Establish and follow procedures for the award and use of multiple contracts, if any. R7-2-1031(D) and R7-2-1050©?  

<table>
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<tr>
<th>Yes/No</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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6) Follow the requirements of R7-2-1032 or R7-2-1046(A)(1) for contracts where only 1 responsive bid or proposal was received, if any, and retain documentation for that determination?  

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<th>Yes/No</th>
<th>Comments</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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b. For purchases made through competitive sealed bidding, did the school award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the IFB? (Note: If the answer is “No,” the “Comments” should specifically indicate which requirements were not complied with.) R7-2-1031  

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<th>Yes/No</th>
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<td>School is exempt from procurement</td>
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c. For purchases made through competitive sealed proposals, did the school award the contract to the offeror whose proposal was determined, with specific reason(s) in writing, to be most advantageous to the school based on the factors set forth in the RFP and retain documentation that supported the basis for the determination? (Note: If the answer is “No,” the “Comments” should specifically indicate which requirements were not complied with.) R7-2-1050  

<table>
<thead>
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<th>Yes/No</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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d. If the school used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the school comply with the requirements of R7-2-1100 through R7-2-1115? (Note: If the answer is “No”, the “Comments” should specifically indicate which requirements were not complied with.)  

<table>
<thead>
<tr>
<th>Yes/No</th>
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<td>School is exempt from procurement</td>
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e. Did the school have a signed procurement disclosure statement for all employees with job responsibilities related to each procurement or for non-employee consultants or technical advisors involved in each procurement process? R7-2-1008(C) and R7-2-1015  

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<tr>
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<td>School is exempt from procurement</td>
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f. Did the school prepare written determinations, as required throughout the procurement rules, including how the determination was made? R7-2-1004

<table>
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<th>Yes/No</th>
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<td>N/A</td>
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g. Did the school’s procurement files include the required information, as applicable? R7-2-1001(96)

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|h. For multi-term contracts for materials or services and contracts for job-order-contracting construction services that were entered into for more than 5 years, did the Governing Board determine in writing that a contract of longer duration would be advantageous to the school before the procurement solicitation was issued? A.R.S. §15-213(L) and R7-2-1093

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<th>Yes/No</th>
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<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
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2. Based upon review of all emergency and sole source procurements:

a. Was the basis for each emergency procurement reasonable and did the school retain a written statement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements? R7-2-1055 and R7-2-1056

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

b. Did the Governing Board approve all sole-source procurements before any purchases were made and retain the written determinations in the procurement files? R7-2-1053 and R7-2-1086

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

3. Were purchases under General Services Administration schedules 70-IT and 84-Law Enforcement contracts authorized by the Governing Board prior to making any purchases? A.R.S. §15-213(K) and R7-2-1196(C)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

4. Did the school have a cooperative purchasing agreement on file for each cooperative it used and only purchase from cooperative contracts it was a member of or use only lead entity contracts that it was listed as a member of in the solicitation or ensure its additional purchases would not have materially increased the volume stated in the original solicitation? R7-2-1191 through R7-2-1195

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

5. Did the school perform and document due diligence for a sample of contracts for each cooperative or lead entity contract the school made purchases from during the audit period? (Note: Indicate below the name of each cooperative or lead entity the school purchased through and whether the cooperative or lead entity complied with the School District Procurement Rules.) R7-2-1191(D)

<table>
<thead>
<tr>
<th>Cooperative/lead entity:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cooperative/ lead entity:
6. Did the school prepare written determinations for any specified professional services, construction, construction services, or materials purchased through a school purchasing cooperative, including how the determination was made? R7-2-1004

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>School is exempt from procurement</td>
</tr>
</tbody>
</table>

### Expenses

1. Did the school properly allocate Classroom Site Project receipts among the following projects: 1011—Base Salary (20%), 1012—Performance Pay (40%), and 1013—Other (40%)? A.R.S. §15-977

| 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 governing-board-approved 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 and not used for school-sponsored athletics?

| Yes   |

5. Did the school use Classroom Site Project monies to supplement, rather than supplant, existing funding from all other sources? (See USFRCS Memorandum No. 44 for guidance on Classroom Site Projects.)

| Yes   |

6. If the school had monies remaining at year-end in any of the 3 Classroom Site Projects (1011, 1012, and 1013), were those monies carried forward in the same projects to ensure that the restrictions placed on the original allocation of revenues is applied in future years?

| Yes   |

7. Were the school’s extracurricular activities fees tax credit monies only expended for eligible activities that qualified under A.R.S. §§43-1089.01 and 15-342(24)?

| Yes   |

### Personnel

1. Did the school ensure that valid fingerprint clearance cards were on file for all required personnel and a method to identify employees whose cards were going to expire was in place? A.R.S. §§15-512, 15-342, and 41-1750

| Yes   |

2. Did the school enroll employees who met the Arizona State Retirement System (ASRS) membership criteria, withheld employee contributions, and in a timely manner remitted employee and school contributions in accordance with the ASRS Employer Manual?

| Yes   |

3. Did the school accurately calculate and in a timely manner remit the alternative contribution rate payments to ASRS for all applicable positions filled by ASRS retirees?

| Yes   |
Legal Compliance Questionnaire

4. Did the school reimburse allowable travel expenses (lodging, meals, and incidentals) and mileage reimbursements within the maximum reimbursement amounts the Internal Revenue Service (IRS) established or include as taxable income on the employee’s Form W-2 amounts reimbursed when no overnight stay or substantial sleep/rest occurred, and any amount reimbursed in excess of the IRS limits?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**Financial Reporting**

1. Was the Annual Financial Report (AFR) electronically submitted to the Superintendent of Public Instruction by October 15, and if the school maintains a website, did the school provide a link on its website to ADE’s website where the school’s AFR could be viewed by November 15? A.R.S. §15-904(A)

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

2. Did budgeted expenses as reported on the AFR agree with the school’s most recently revised adopted budget?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

3. Did actual revenues and expenses as reported on the AFR agree with the school’s accounting records and applicable supporting documentation, with no transactions or adjusting entries posted after preparing the AFR?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

4. Did the school properly code its transactions in accordance with the USFRCS Chart of Accounts or maintain a crosswalk of its accounts so it could accurately report information in the AFR?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

5. Was all required information in the AFR, including supplementary information on pages 7 and 8? A.R.S. §15-905

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

6. Was the Classroom Site Project Narrative Summary electronically submitted to the Superintendent of Public Instruction by November 15? A.R.S. §15-977(J)

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

7. Did the school prominently post average teacher salary information on its website home page separately from its budget? A.R.S. §15-189.05

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

**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?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
</table>

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.
Legal Compliance Questionnaire

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

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>15</td>
</tr>
</tbody>
</table>

N/A  Program not offered by School

For question 3, use the following sample sizes:

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

For question 4-7, use the following sample sizes:

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Student Attendance Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>3</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>5</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>7</td>
</tr>
</tbody>
</table>

N/A  No students enrolled in less than 4 subjects

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 that school site (excluding CTED program classes) under the school’s CTDS number?

N/A  Program not offered by School

6. For schools offering an AOI program, based upon review of ( 0 ) AOI students’ attendance records for 4 weeks; (ADE’s guideline SF-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  Program not offered by School

b. Did the hours reported to ADE agree to the guardian-approved or school computer-generated daily log?

N/A  Program not offered by School

c. Were all students who participated in an AOI program residents of this state? A.R.S. §15-808(B)

N/A  Program not offered by School

d. Was the student’s Intended Full Time Equivalency Enrollment Statement maintained?

N/A  Program not offered by School
Legal Compliance Questionnaire

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?

   Yes/No       Comments

   N/A  Program not offered by School

For question 8-12, use the following sample sizes:

<table>
<thead>
<tr>
<th>Schoolwide ADM</th>
<th>Entries/Withdrawals</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1,000</td>
<td>5</td>
</tr>
<tr>
<td>1,000-5,000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5,000</td>
<td>15</td>
</tr>
</tbody>
</table>

8. Based upon review of (_1_) 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  Total population tested

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)

   Yes

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 10th 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.)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

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.)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>See comment #2</td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

15. For students participating in distance learning, did the school follow attendance procedures defined in the distance learning plan approved by ADE?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**Records Management**

1. Did the school dispose of records in accordance with the General Retention Schedules for Education K-12 published by the Arizona State Library, Archives and Public Records? (http://apps.azlibrary.gov/records/general.aspx)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

2. Did the school follow policies and procedures to protect the security, maintenance, and disposition of personally identifiable information and confidential records, such as student and employee information and social security numbers?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**Open Meeting Law**

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? A.R.S. §38-431.02(A)(1)(a)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

2. Did the school post all public meeting notices and agendas on its website? A.R.S. §38-431.02(A)(1)(b) and (G)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

3. Were notices and agendas of public meetings posted at the designated physical and electronic locations at least 24 hours before the meeting? A.R.S. §38–431.02(C) and (G)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

4. Did the school prepare and maintain written minutes or records for governing board meetings? A.R.S. §38-431.01(B)

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

This questionnaire was completed in accordance with the requirements of the Arizona Auditor General as set forth in the instructions on pages 2 and 3.

Fester & Chapman, PLLC
Audit Firm

Preparer (Audit Firm Representative)

March 31, 2022
Date

Director
Title
1. The School’s adopted budget was not filed electronically with the Superintendent of Public Instruction by July 18th.

2. The School's 100th day absence data uploaded to ADE (ADM15) did not agree to the School's computerized attendance system records. Absence days were underreported by approximately 96 days.
<table>
<thead>
<tr>
<th>Agenda Item Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting</td>
</tr>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Subject</td>
</tr>
<tr>
<td>Access</td>
</tr>
<tr>
<td>Type</td>
</tr>
</tbody>
</table>

**Recommended Action – Informational Item**

Megan Hanley, ASU Prep Director of Academies & Student Initiatives, will present the Board of Directors with information on ASU Prep Local, one of our FY2023 learning program options.
Agenda Item Details

Meeting  May 11, 2022 - Board of Directors Meeting – Notice of Regular Session
Category  D. Informational Item
Subject  2. AZ OnTrack
Access  Public
Type  Information

Recommended Action – Informational Item

Carrie Larson, ASU Prep Head of Schools - Immersion, will present the Board of Directors with information on AZ OnTrack and Summer Programs.
Agenda Item Details

<table>
<thead>
<tr>
<th>Meeting</th>
<th>May 11, 2022 - Board of Directors Meeting – Notice of Regular Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>D. Informational Item</td>
</tr>
<tr>
<td>Subject</td>
<td>3. Finance Update</td>
</tr>
<tr>
<td>Access</td>
<td>Public</td>
</tr>
<tr>
<td>Type</td>
<td>Information</td>
</tr>
</tbody>
</table>

**Recommended Action – Informational Item**

Forrest Valora, ASU Prep Budget & Finance Officer, will provide a update on the organizations financial performance for the first half of the fiscal year to the Board of Directors.
# ASU Prep Revenue & Expense Forecast

**As of March 31, 2022**

## I. Student Headcount & Enrollment

<table>
<thead>
<tr>
<th>Students</th>
<th>Network</th>
<th>%</th>
<th>Immersion</th>
<th>%</th>
<th>Digital</th>
<th>%</th>
<th>ASUP Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22 AZFT ADM Forecast</td>
<td>-</td>
<td>0.0%</td>
<td>2,800</td>
<td>44.4%</td>
<td>3,500</td>
<td>56%</td>
<td>6,300</td>
</tr>
<tr>
<td>ASUP Global Student Forecast</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td>29,342</td>
<td>0%</td>
<td>29,342</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>2,800</td>
<td>-</td>
<td>32,842</td>
<td>-</td>
<td><strong>35,642</strong></td>
</tr>
</tbody>
</table>

### YTD Variance Analysis

| YTD FY22 AZFT ADM | - | 0.0% | 2,774 | 42.7% | 3,729 | 57% | 6,503 |
| YTD Global Student Actual | - | 0.0% | - | 0.0% | 23,524 | 100% | 23,524 |
| **Variance to Forecast** | - | - | (26) | 0.5% | (5,589) | 99.5% | (5,615) |

## II. YTD Budget Variance Report

### Revenue

| FY22 Revenue Forecast | - | 0.0% | 32,534,085 | 39.9% | 42,000 | 55.6% | 75,600 |

<table>
<thead>
<tr>
<th><strong>YTD Variance Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD FY22 Revenue Forecast</td>
</tr>
<tr>
<td>FY22 YTD Revenue Actual</td>
</tr>
<tr>
<td><strong>Variance to Forecast</strong></td>
</tr>
</tbody>
</table>

### Personnel Expense

| FY22 Personnel Expense Forecast | 5,034,237 | 9.5% | 22,268,741 | 42.7% | 26,351,292 | 47.7% | 53,654,270 |

<table>
<thead>
<tr>
<th><strong>YTD Variance Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD FY22 Personnel Forecast</td>
</tr>
<tr>
<td>FY22 YTD Personnel Actual</td>
</tr>
<tr>
<td><strong>Variance to Forecast</strong></td>
</tr>
</tbody>
</table>

### Operating Expense

| FY22 Other Operating Forecast | 3,468,957 | 14.2% | 8,693,218 | 35.6% | 12,272,352 | 50.2% | 24,434,527 |

<table>
<thead>
<tr>
<th><strong>YTD Variance Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD FY22 Other Op Expense Forecast</td>
</tr>
<tr>
<td>FY22 YTD Other Op Expense Actual</td>
</tr>
<tr>
<td><strong>Variance to Forecast</strong></td>
</tr>
</tbody>
</table>

### Total Expense

| Total FY22 Expense Forecast | 8,503,194 | 10.7% | 30,961,959 | 39.6% | 38,623,644 | 49.7% | 78,088,797 |

<table>
<thead>
<tr>
<th><strong>YTD Variance Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Total FY22 Expense Forecast</td>
</tr>
<tr>
<td>YTD Total FY22 Expense Actual</td>
</tr>
<tr>
<td><strong>Variance to Forecast</strong></td>
</tr>
</tbody>
</table>

### Net Operating

| FY22 Forecast EBITDA | (8,503,194) | 10.7% | 30,961,959 | 39.6% | 38,623,644 | 49.7% | 78,088,797 |

<table>
<thead>
<tr>
<th><strong>YTD Variance Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD FY22 EBITDA Forecast</td>
</tr>
<tr>
<td>YTD FY22 EBITDA Actual</td>
</tr>
<tr>
<td><strong>Variance to Forecast</strong></td>
</tr>
</tbody>
</table>
Meeting May 11, 2022 - Board of Directors Meeting – Notice of Regular Session

Category D. Informational Item

Subject 4. Instructional Time Models

Access Public

Type Information

Recommended Action – Informational Item

Carrie Larson, ASU Prep Head of Schools - Immersion, will present the Board of Directors with information on FY2022 and FY2023 instructional time models.
Agenda Item Details

Meeting               May 11, 2022 - Board of Directors Meeting – Notice of Regular Session
Category             D. Informational Item
Subject              5. Upcoming ASU Prep Board Meeting
Access               Public
Type                 Information

Recommended Action – Informational Item

The next ASU Prep Board meeting will take place on Tuesday, June 21, 2022.