

New Mexico Public Education Commission



2022 Charter School Renewal Application Part C: Financial Statement

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Instructions

Please read the entire Charter School Renewal Application Kit before preparing documents. In an effort to help applicants understand the requirements of the Renewal Application, the CSD will hold a minimum of two technical assistance workshops. Applicants will be notified of the dates, times, and locations of the workshops.

Enter applicant responses in boxes below. Answer all questions unless the question indicates that applicants should answer only under certain conditions (e.g., rating on a Performance Framework indicator requires explanation, etc.). Narrative responses should be verifiable through documents submitted or observable evidence at the renewal site visit.

School Information

| | |
|------------------------------|---------------------------------------|
| Name of School: | New Mexico Connections Academy |
| Current Charter Term: | 2018-2022 |

Financial Statement Narrative

The school must provide a financial statement that discloses the costs of administration, instruction, and other spending categories for the charter school. The financial statement must be understandable to the general public and must allow comparison of costs to other schools or comparable organizations. The school must use the templates included within Part C of the renewal kit for the financial report. For schools that were identified in the lowest 25% of all schools in the NM System of Support and Accountability for SY2018-19 or SY2021-22, the report should specifically address how the school has prioritized resources toward proven programs and methods linked to improved student achievement.

Enter applicant response in box below:

School response:

New Mexico Connections Academy has worked hard to develop both the financial resources and the fiscal processes necessary to support the unique learning environment that the school offers. As has been documented in other sections of this application, NMCA has instituted a continuous improvement model in all areas of the organization, including financial management. This focus on improvement and the corresponding actions initiated by our staff has allowed for NMCA to effectively and efficiently safe-guard the organization's resources, as well as deliver a supportive educational experience for our students and their families.

As is demonstrated in the data below, NMCA has deliberately focused resources towards student engagement and instruction, and has also increased the support staff necessary to address the variety of student needs presented. Our intention is to continue to examine student data and find innovative ways to reach and teach all of our students. Over the course of the charter term, NMCA has examined multiple data points focused on why students are, or are not, succeeding in a particular grade and/or subject area and has focused resources on the areas in which students have shown the most positive response and those areas where growth is needed. NMCA has received feedback from parents through a variety of avenues (Equity Council, Audit Committee, Governing Council meetings, surveys, Open Houses, and social media) and has provided both human capital, in the way of staffing for particular positions in the school, as well as financial capital, in the way of technology resources and multiple online learning applications. NMCA has also utilized State Equalization Guarantee (SEG) funds to provide professional development for the full staff in areas of Social Emotional Learning, online teaching best practices, and Multi-Level Layers of Support (MLSS) practices, to name a few.

While NMCA has increased enrollment in a planned fashion and is now among the most popular choices for families in both the charter and the online sectors in the state of New Mexico, the increases in enrollment have brought an increase in needs presented to the school. NMCA has not only met these increases in enrollment without any disruption in services, but has also provided resources wherever necessary, as articulated in Section B of this application. Because of this commitment to meeting the needs of each individual in our school, NMCA has taken the necessary steps to ensure uninterrupted teaching and learning during the pandemic, addressed the needs of an extremely diverse population, and has met all of the statutorily-required fiscal expectations of the state. NMCA has seen increases in student performance data during the pandemic while effectively managing increases in our student population. NMCA attributes these gains, in part, to the conscious and strategic financial planning that has been a consistent practice during this current charter term.

Another deliberate action taken by the school to ultimately increase revenue and decrease the school's dependence on the ever-fluctuating lease-assistance allocations from the Public School Capital Outlay Council (PSCOC) was the purchase of our newly-renovated facility. The foresight of the school's Governing Council to identify the unique capital needs of the school, along with their understanding of the problematic funding streams available for charter schools, allowed for NMCA to make strategic plans for future fiscal expenditures, but also, to position itself as another model for future innovative educational options for other charter schools to pursue.

As seen in Part A of the renewal application, NMCA has met the fiscal standards set forth in both the PEC Performance Framework and the Generally Accepted Accounting Principles (GAAP). Although there have been a small amount of audit findings over the course of the current charter term, each has been met with a corrective action plan designed to further

safe-guard the public funds for which the school is responsible and to improve the internal processes that ensure the expected separation of duties and other fiscal compliance actions. The Corrective Action Plans (CAPs) are attached as appendices (**Appendix C-1 FY19, Appendix C-2 FY20, Appendix C-3 FY21**) to the application and have been provided to the CSD in response to the annual site visits and reports.

NMCA understands the incredible responsibility that all public schools in New Mexico retain for safe-guarding the public funds provided by the citizens of our state and is committed to maintaining the systems that we have established to continue to serve one of the largest school populations in New Mexico. Any data requested to support NMCA's financial performance is available upon request at the renewal site visit.

Operational Expenditures Tables: New Mexico Connections Academy FYs 19-22

| Year 1: FY <u>19</u> Operational Funds/General Funds – 11000 | | | | |
|--|----------------------------|---|---------------------------|----------------|
| Function | Function Name | Example of Expenditures by Fund | Amount (in whole dollars) | Percentage (%) |
| 1000 | Direct Instruction | Teachers, EAs, Instructional Coaches, etc. | \$6,517,168 | 83% |
| 2100 | Student Support | Attendance, Social Workers, Counseling, Ancillary Services, etc. | \$571,068 | 7% |
| 2200 | Instructional Support | Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc. | \$72,092 | 1% |
| 2300 | Central Administration | Governance Council, Executive Administration/School Head Administrator, Community Relations, etc. | \$145,243 | 2% |
| 2400 | School Administration | Office of the Principal | \$216,375 | 3% |
| 2500 | Central Services | Business Manager, Human Resources, Printing, Technology Services, etc. | \$110,621 | 1 % |
| 2600 | Maintenance and Operations | Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, etc. | \$248,469 | 3% |
| 2700-5999 | All Other Function Codes | PED Grant Initiatives, PreK, state grants, Next Gen, CTE, digital technology, extended learning and K5+ | | |
| Grand Total Operational/General Funds 11000 | | | \$7,881,036 | 100% |
| Total Operational Funding Revenue 11000 | | | \$12,124,681 | N/A |
| Year 2: FY <u>20</u> Operational Funds/General Funds – 11000 | | | | |

| Function | Function Name | Example of Expenditures by Fund | Amount (in whole dollars) | Percentage (%) |
|---|----------------------------|---|---------------------------|----------------|
| 1000 | Direct Instruction | Teachers, EAs, Instructional Coaches, etc. | \$7,157,848 | 80% |
| 2100 | Student Support | Attendance, Social Workers, Counseling, Ancillary Services, etc. | \$734,980 | 8% |
| 2200 | Instructional Support | Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc. | \$18,587 | 0% |
| 2300 | Central Administration | Governance Council, Executive Administration/School Head Administrator, Community Relations, etc. | \$147,579 | 2% |
| 2400 | School Administration | Office of the Principal | \$475,453 | 5% |
| 2500 | Central Services | Business Manager, Human Resources, Printing, Technology Services, etc. | \$156,495 | 2% |
| 2600 | Maintenance and Operations | Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, etc. | \$223,060 | 2% |
| 2700-599 9 | All Other Function Codes | PED Grant Initiatives, PreK, state grants, Next Gen, CTE, digital technology, extended learning and K5+ | \$25,016 | 0 |
| Grand Total Operational/General Funds 11000 | | | \$8,939,019 | 100% |
| Total Operational Funding Revenue 11000 | | | \$8,766,745 | N/A |

| Year 3: FY <u>21</u> Operational Funds/General Funds – 11000 | | | | |
|---|----------------------------|---|----------------------------------|-----------------------|
| Function | Function Name | Example of Expenditures by Fund | Amount (in whole dollars) | Percentage (%) |
| 1000 | Direct Instruction | Teachers, EAs, Instructional Coaches, etc. | \$9,366,592 | 74% |
| 2100 | Student Support | Attendance, Social Workers, Counseling, Ancillary Services, etc. | \$982,300 | 8% |
| 2200 | Instructional Support | Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc. | \$0 | 0% |
| 2300 | Central Administration | Governance Council, Executive Administration/School Head Administrator, Community Relations, etc. | \$154,830 | 1% |
| 2400 | School Administration | Office of the Principal | \$480,922 | 4% |
| 2500 | Central Services | Business Manager, Human Resources, Printing, Technology Services, etc. | \$100,945 | 1% |
| 2600 | Maintenance and Operations | Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, etc. | \$255,969 | 2% |
| 2700-5999 | All Other Function Codes | PED Grant Initiatives, PreK, state grants, Next Gen, CTE, digital technology, extended learning and K5+ | \$1,383,887 | 11% |
| Grand Total Operational/General Funds 11000 | | | \$12,725,446 | 100% |
| Total Operational Funding Revenue 11000 | | | \$12,146,245 | N/A |

| Year 4: FY <u>22</u> Operational Funds/General Funds – 11000 | | | | |
|---|----------------------------|---|----------------------------------|-----------------------|
| Function | Function Name | Example of Expenditures by Fund | Amount (in whole dollars) | Percentage (%) |
| 1000 | Direct Instruction | Teachers, EAs, Instructional Coaches, etc. | \$9,454,311 | 82% |
| 2100 | Student Support | Attendance, Social Workers, Counseling, Ancillary Services, etc. | \$893,939 | 8% |
| 2200 | Instructional Support | Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc. | \$11,336 | 0% |
| 2300 | Central Administration | Governance Council, Executive Administration/School Head Administrator, Community Relations, etc. | \$175,044 | 2% |
| 2400 | School Administration | Office of the Principal | \$593,967 | 5% |
| 2500 | Central Services | Business Manager, Human Resources, Printing, Technology Services, etc. | \$100,520 | 1% |
| 2600 | Maintenance and Operations | Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, etc. | \$289,092 | 3% |
| 2700-5999 | All Other Function Codes | PED Grant Initiatives, PreK, state grants, Next Gen, CTE, digital technology, extended learning and K5+ | \$0 | 0% |
| Grand Total Operational/General Funds 11000 | | | \$11,518,209 | 100% |
| Total Operational Funding Revenue 11000 | | | \$11,256,584 | N/A |

Operational Expenditures Chart



