

## **Part B – Progress Report**

### **3. Financial Compliance**

The Charter School Act provides as follows:

A charter may be suspended, revoked, or not renewed by the chartering authority if the chartering authority determines that the charter school...failed to meet generally accepted standards of fiscal management.

#### **a. Audit Report Summary**

Every charter school is subject to the Audit Act. NMSA22-8B-4(C). The Public School Finance Act requires the audit committee of each charter school governing body to track and report progress on the status of the most recent audit findings and advise the local school board on policy changes needed to address audit findings (see next page).

Please edit the actual year you are referring to in the table. For example, Year 1 should be changed to the audited year (such as FY16) within the current contract. Also, provide a summary of the nature of findings including category levels. Include and indicate any repeat audit findings involving a material weakness or significant deficiency.

Year	Total # of Findings	Nature of Findings including Rating (Compliance, Significant Deficiency, Material Weakness)	School's Corrective Action Plan
FY2016	<p>4 Total Findings</p> <p>2016-001</p> <p>2016-002</p> <p>2016-003</p> <p>2016-004</p>	<p>Compliance</p> <p>Compliance</p> <p>Significant Deficiency</p> <p>Compliance</p>	<p>The school's will hire/certify CPO when the training is available. (2016-001)</p> <p>The business manager will actively check on the status of budgets to actuals at the end of each quarter to determine no expenditures exceed budget by year end. (2016-002)</p> <p>The school hired another business manager to actively mentor the school's onsite business manager to help make proper closing entries for it's liabilities. (2016-003)</p> <p>The school actively pursued a parent volunteer for its Audit Committee (2016-004), but the small community makes finding qualified volunteers difficult.</p>
FY2017	<p>4 Total Findings</p> <p>2016-001</p> <p>2016-002</p> <p>2016-004</p> <p>2017-001</p> <p>2017-002</p> <p>2017-003</p> <p>2017-004</p>	<p>Significant Deficiency(Repeated/Modified)</p> <p>Compliance (Repeated/Modified)</p> <p>Compliance (Repeated/Modified)</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p>	<p>The school updated its financial policies and procedures along with a new contracted business manager to correct its processes procurement (2016-001), paying of monthly liabilities (2017-001), excess expenditures over budgets &amp; Budget Adjustment Requests (2016-002 &amp; 2017-002), timely deposits (2017-003), and employee files including background checks (2017-004). These new policies and procedures help coordinate proper internal controls and segregation of duties within these items to designated responsible staff i.e. the director, business manager, office manager, etc.</p> <p>The school does advertise and communicate their need for a qualified volunteer for the audit committee (2016-004) to the surrounding community to meet the criteria of NMAC 22.8.12.3</p>

FY2018	<p>4 Total Findings 2018-001 (2016-001)</p> <p>2018-002</p> <p>2018-003 (2017-004)</p> <p>2018-004 (2016-002/2017-002)</p>	<p>Compliance (Repeated)</p> <p>Compliance</p> <p>Compliance (Repeated)</p> <p>Compliance (Repeated)</p>	<p>The school reviewed its procedures on record keeping of all vendor files along with policies regarding travel request. (2018-001)</p> <p>The school added a new procedure/internal controls to reconcile the daily student meal count to each monthly USDA claim before submission. (2018-002)</p> <p>The school implemented policies on employee files and paying of monthly liabilities (2018-003) within the 2017 corrective action plan. These processes and procedures were still being implemented at the beginning of the 2018 year.</p> <p>The school did seek proper governing council pre-approval for multiple BARs needed at year end to work with PED's deadlines of final BAR submission, but the auditors disagreed with method of pre-approval.</p>
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## b. Board of Finance

Pursuant to NMSA 22-8-38, failure of the governing body of a state-chartered charter school to qualify for designation as a board of finance constitutes good and just grounds for nonrenewal or revocation of its charter.

Further, pursuant to NMSA 22-8-39, the department may at any time suspend a local school board or governing body of a state-chartered charter school from acting as a board of finance if the department reasonably believes there is mismanagement, improper recording or improper reporting of public school funds under the local school board's or governing body of a state-chartered charter school's control.

When the governing body of a state-chartered charter school is suspended from acting as a board of finance, the department is required to consider commencing proceedings before the commission to revoke or refuse to renew the charter of the state-chartered charter school.

If the school's **Board of Finance was suspended** at any time during the term of the contract, the school must provide a narrative explaining the actions taken (**school/adult/leader/board actions**) on the school's own initiative to correct financial compliance and regain the Board of Finance Authority and the success of those actions (**improved practices and outcomes**).

The school must also describe the current status of the Board of Finance and continuing actions to ensure the same financial challenges do not reoccur. Success should be identified by specific changes in practice.

The narrative must be supported by evidence provided in an appendix and verifiable through evidence at the site visit. **Please identify specific evidence of both the school/adult/leader/board actions and the improved practices and outcomes in the narrative.**

**Schools that have maintained all Board of Finance authority during the entire term of the contract do NOT complete this Section.**

### ***School response:***

[Click here to enter text.](#)

## **Part C – Financial Statement**

### **Instructions:**

- a. Complete the table specific to your operational budget for each fiscal year within the school's current charter contract (Year 1 through 4). *\*Please edit the actual year you are referring to in each table (such as FY15 and so forth).*
- b. Input totals for functions 1100 and 2300/2400/2500 (combined) for each year into chart at the end of this section.

# DEAP Charter School

## FY2016

Fund	Fund Name	Example of Expenditures by Fund	Percentage (%)	Amount
1100	Direct Instruction	Teachers, EAs, Instructional Coaches, etc.	37.59%	91,546
2100	Student Support	Social Workers, Counseling, Ancillary Services, etc.	4.63%	11,287
2200	Instructional Support	Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc.	0.21%	500
2300	Central Administration	Governance Council, Executive Administration, Community Relations, etc.	3.82%	9,315
2400	School Administration	School Administrator, etc.	19.69%	47,956
2500	Central Services	Business Manager, Human Resources, Printing, Technology Services, etc.	0.93%	2,271
2600	Maintenance and Operations	Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, Etc.	16.08%	39,161
	Other	Miscellaneous (Community Services)	17.05%	41,520
Grand Total			100%	243556
Total Amount of Operational Dollars Going Directly to Supporting Student Success <i>(Includes Direct Instruction, Student Support, Instructional Support, and School Admin)</i>			62.12%	151289

## FY2017

Fund	Fund Name	Example of Expenditures by Fund	Percentage (%)	Amount
1100	Direct Instruction	Teachers, EAs, Instructional Coaches, etc.	26.16%	54,010
2100	Student Support	Social Workers, Counseling, Ancillary Services, etc.	6.02%	12,436
2200	Instructional Support	Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc.	0.19%	402
2300	Central Administration	Governance Council, Executive Administration, Community Relations, etc.	10.39%	21,442
2400	School Administration	School Administrator, etc.	27.42%	56,613
2500	Central Services	Business Manager, Human Resources, Printing, Technology Services, etc.	4.42%	9,128
2600	Maintenance and Operations	Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, Etc.	21.71%	44,821
	Other	Miscellaneous (Community Services)	3.68%	7,608
Grand Total			100.00%	205,460
Total Amount of Operational Dollars Going Directly to Supporting Student Success <i>(Includes Direct Instruction, Student Support, Instructional Support, and School Admin)</i>			59.80%	123,461

## FY2018

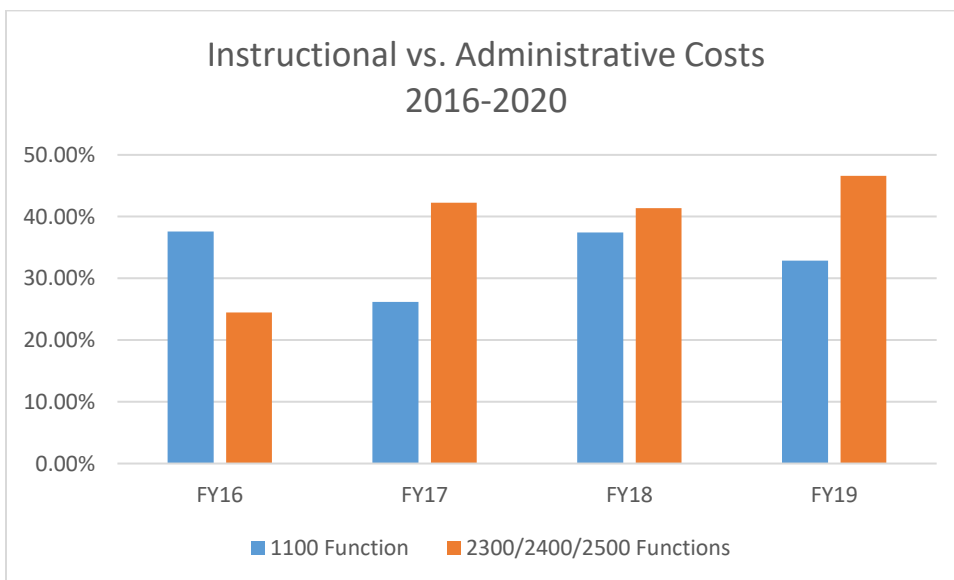
Fund	Fund Name	Example of Expenditures by Fund	Percentage (%)	Amount
1100	Direct Instruction	Teachers, EAs, Instructional Coaches, etc.	37.44%	123,477
2100	Student Support	Social Workers, Counseling, Ancillary Services, etc.	4.03%	13,306
2200	Instructional Support	Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc.	0.68%	2,229
2300	Central Administration	Governance Council, Executive Administration, Community Relations, etc.	21.45%	70,728
2400	School Administration	School Administrator, etc.	2.84%	9,371
2500	Central Services	Business Manager, Human Resources, Printing, Technology Services, etc.	17.07%	56,304
2600	Maintenance and Operations	Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, Etc.	16.23%	53,522
	Other	Miscellaneous (Community Services)	0.26%	846
Grand Total			100%	329,783
Total Amount of Operational Dollars Going Directly to Supporting Student Success <i>(Includes Direct Instruction, Student Support, Instructional Support, and School Admin)</i>			44.99%	148,383

## FY2019

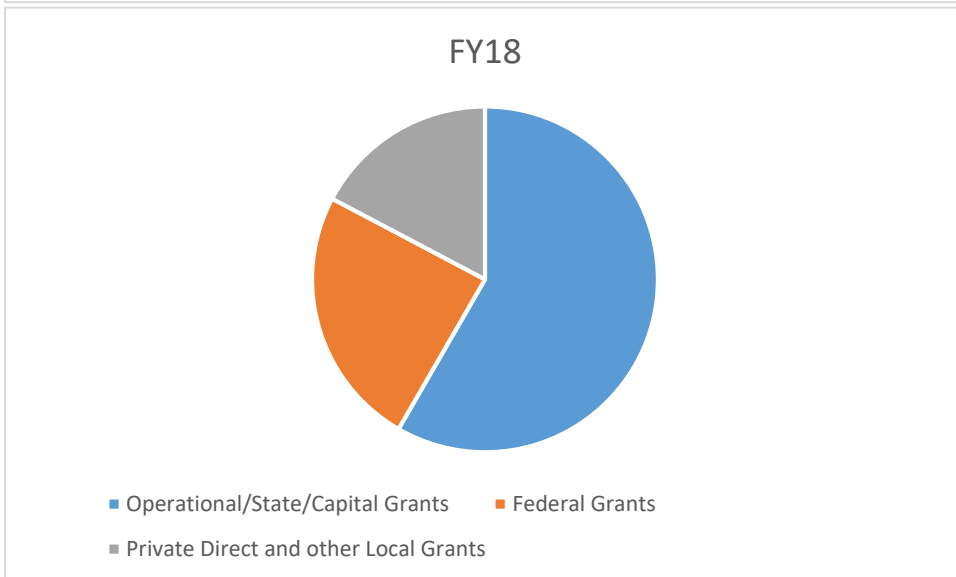
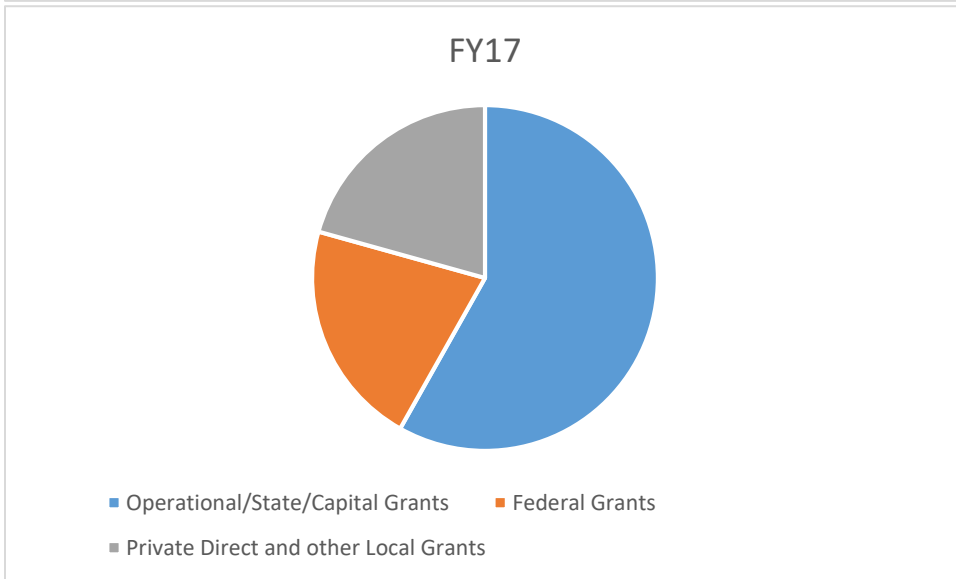
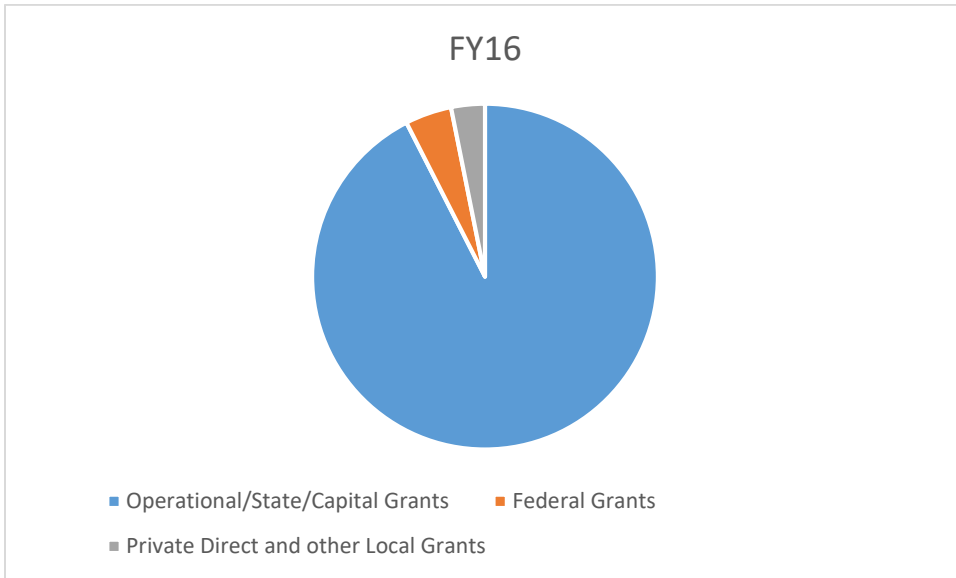
Fund	Fund Name	Example of Expenditures by Fund	Percentage (%)	Amount
1100	Direct Instruction	Teachers, EAs, Instructional Coaches, etc.	32.85%	119,894
2100	Student Support	Social Workers, Counseling, Ancillary Services, etc.	6.89%	25,153
2200	Instructional Support	Library/Media Services, Instructional-Related Technology, Academic Student Assessment, etc.	0.00%	0
2300	Central Administration	Governance Council, Executive Administration, Community Relations, etc.	21.69%	79,166
2400	School Administration	School Administrator, etc.	4.14%	15,123
2500	Central Services	Business Manager, Human Resources, Printing, Technology Services, etc.	20.80%	75,906
2600	Maintenance and Operations	Maintenance and Operations of Buildings, Upkeep of Grounds and Vehicles, Security, Safety, Etc.	13.63%	49,766
	Other	Miscellaneous (Community Services)	0.00%	0
Grand Total			100%	365,008
Total Amount of Operational Dollars Going Directly to Supporting Student Success <i>(Includes Direct Instruction, Student Support, Instructional Support, and School Admin)</i>			43.88%	160,170

### Operational Budget in Bar Graph (right click on chart and input % for each field):

*\*Please edit the actual year you are referring to in the graph below*

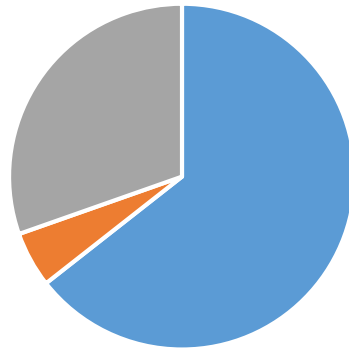


Below are charts detailing the revenue(s) received by the school each year by category.





FY19



- Operational/State/Capital Grants
- Federal Grants
- Private Direct and other Local Grants