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STATE OF NEVADA

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STATE PUBLIC CHARTER SCHOOL AUTHORITY

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ACTION MEMORANDUM

TO: SPCSA Board
FROM: Melissa Mackedon, Executive Director
SUBJECT: Notice of Termination, Eagle Charter School
DATE: June 18, 2024
CC: Eagle Board Chair, Kara Hendricks & School Leadership

Summary of Recommendation

Based on the following information in this memo, the State Public Charter School Authority (SPCSA) Staff recommends the SPCSA Board vote to terminate the Eagle Charter School (Eagle) charter contract. Eagle failed to take the necessary steps to accurately cure the Financial Notice of Concern issued at the April 12, 2024, SPCSA board meeting.

Background

Eagle is located at 2025 E. Sahara Avenue, Las Vegas, Nevada 89104. It opened in fall 2023 and aims to "Empower all students, irrespective of location or ethnicity, by providing a dynamic, inclusive learning environment that fosters creativity and problem-solving skills."

During the 2023-2024 school year, Eagle's enrollment between September and March has ranged from 144 to 167 students. Eagle's 23-24 quarter-one Average Daily Enrollment (ADE) was 165.1, and quarter-two ADE was 161.9. However, Eagle continued to receive monthly Pupil Centered Funding Plan (PCFP) payments through March based on its June 2023 EEGA audit for 306 students, resulting in a net overpayment of **\$837,085.27**. The SPCSA first flagged this issue for Eagle in the fall and subsequently requested that Eagle build a board-approved, amended final budget reflecting their accurate, lower enrollment number. The SPCSA requested a copy of a board-approved, amended final budget by February 15, 2024. Eagle submitted the amended final budget on February 21, 2024, but the amended budget did not appear on Eagle's board agenda.

Eagle did not set aside the overpayment as they should have in accordance with accepted standards of fiscal management; rather, they spent the funds on operational costs knowing they were not owed to them and are unable to pay them back. Beginning in July, the Nevada Department of Education (NDE) will stop making monthly Pupil-Centered Funding Plan (PCFP) payments until the \$837,085.27 obligation is met.

At the April 12, 2024, SPCSA board meeting, the SPCSA Board issued a Financial Notice of Concern, largely due to owing the NDE \$837,085.27. To cure the Notice of Concern, Eagle had to provide several documents by June 1, 2024, including a balanced budget, proving Eagle's financial viability for the upcoming 2024-2025 school year.

Eagle did provide a budget by the June 1, 2024, deadline. On its face, the budget appears to be balanced; however, upon analysis, issues remain on both the revenue and expenditure side, leading to an imbalanced budget.¹ In addition to the budget, SPCSA staff requested other documentation related to the matter. Table 1 details the results of that request. Table 2 details all the errors and concerns the SPCSA staff has regarding Eagle's budget as submitted. Primarily, the budget shows a net surplus of just \$136,295.00 but includes an unsubstantiated loan of \$160,000 and \$64,800 in fundraising revenue. Unless Eagle staff can provide evidence of the loans and donations, they must be removed from the budget. Eagle did not include the appropriate salaries for personnel to run the school, including low teacher salaries, zero office staff, no counselor or social worker, and a COO salary that was cut from \$120,000 to \$60,000, as outlined in Table 2. It is fiscally irresponsible to move forward with such a low COO salary, as the board could not replace that position should the need arise. Additionally, the cash flow indicates five months where the school is operating at a deficit; for example, in September, that deficit is projected to be \$181,046, which indicates vendors will not be timely paid.

On June 3, the SPCSA staff conducted an enrollment audit for the upcoming school year that showed 312 students enrolled. Of those enrolled, 26 percent qualified as McKinney-Vento students. The state average for McKinney-Vento students enrolled at a school is roughly 2 percent. Despite this extremely high percentage of students, the budget did not contemplate a counselor or social worker. The SPCSA cannot support a school serving this population of students living in transition without properly licensed mental health professionals. Further, per Opportunity 180 (O180), Eagle did submit CSP reimbursement requests; however, as of June 18, 2024, the reimbursement request submission was incomplete. Eagle submitted a reimbursement request totaling \$233,129.21. Unfortunately, more than \$15,000 was not eligible for reimbursement. More than \$102,000 could not be processed due to errors in the reimbursement request. Eagle had until June 14, 2024, to correct those errors, and they did not. O180 will not reimburse them for any amount until such time as the SPCSA approves a balanced budget, which we cannot do based on the current budget submitted.

Although the SPCSA board is contemplating a Notice of Termination due largely to financial insolvency and mismanagement, it is essential to note that there are numerous organizational and academic concerns as well, including outstanding Epicenter tasks. Other concerns can be found in the [site evaluation report](#).

¹ NRS 354.597, NRS 354.598, NAC 387.725, NAC 387.730, NAC 387.740, NAC 387.750

Eagle has the following outstanding Epicenter Tasks:

Requirement Name	Status	Original Event Date	Original Due Date/Time	Days Late
Board Meeting Draft Minutes	Past Due	4/5/2024	5/17/2024 23:59	30
Board Meeting Draft Minutes	Past Due	4/30/2024	6/12/2024 23:59	4
Board Meeting Approved Minutes	Past Due	5/21/2024	5/31/2024 23:59	16
Board Meeting Approved Minutes	Past Due	5/28/2024	6/7/2024 23:59	9
Quarterly Year-to-Date Financial Statements - Q1	Past Due	11/1/2023	11/1/2023 23:59	228
State Performance Plan Indicator 8, Parent Survey Data	Past Due	11/30/2023	11/30/2023 23:59	199
Special Education Policies and Procedures Manual and Forms	Past Due	12/1/2023	12/1/2023 23:59	198
Capital Improvement Plan	Past Due	1/19/2024	1/19/2024 23:59	149
Annual Website Certification	Past Due	2/1/2024	2/1/2024 23:59	136
Quarterly Year-to-Date Financial Statements - Q2	Past Due	2/1/2024	2/1/2024 23:59	136
School Performance Plan - Status Check 1	Past Due	2/9/2024	2/9/2024 23:59	128
AB 245 (2023) Power-Based Violence MOU	Past Due	2/15/2024	2/15/2024 23:59	122
Federal Program Perpetual Inventory	Past Due	4/28/2024	4/28/2024 23:59	49
Quarterly Year-to-Date Financial Statements - Q3	Past Due	5/1/2024	5/1/2024 23:59	46
School Performance Plan - Status Check 2	Past Due	5/10/2024	5/10/2024 23:59	37
School Contact Update Certification	Past Due	6/1/2024	6/1/2024 23:59	15
Title I Statement of Assurance	Past Due	6/15/2024	6/15/2024 23:59	1

Legal Authority

NRS 388A.330 Reconstitution of governing body of charter school or termination of charter contract by sponsor: Grounds; written notice; opportunity to correct deficiencies; public hearing; notice to Department; limitation on reconstitution; continued operation and limited enrollment under certain circumstances. Except as otherwise provided in [NRS 388A.300](#):

1. Except as otherwise provided in subsection 6, the sponsor of a charter school may reconstitute the governing body of a charter school or terminate a charter contract before the expiration of the charter if the sponsor determines that:

- (a) The charter school, its officers or its employees:
 - (1) Committed a material breach of the terms and conditions of the charter contract;
 - (2) Failed to comply with generally accepted standards of fiscal management; or

(3) Failed to comply with the provisions of this chapter or any other statute or regulation applicable to charter schools;

(b) The charter school has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the charter school cannot continue to operate;

[...]

2. Before the sponsor [...] terminates a charter contract, the sponsor shall provide written notice of its intention to the governing body of the charter school. The written notice must:

(a) Include a statement of the deficiencies or reasons upon which the action of the sponsor is based;

(b) Except as otherwise provided in subsection 4, prescribe a period, not less than 30 days, during which the charter school may correct the deficiencies, including, without limitation, the date on which the period to correct the deficiencies begins and the date on which that period ends;

(c) Prescribe the date on which the sponsor will make a determination regarding whether the charter school has corrected the deficiencies, which determination may be made during the public hearing held pursuant to subsection 3; and

(d) Prescribe the date on which the sponsor will hold a public hearing to consider whether to reconstitute the governing body or terminate the charter contract.

The SPCSA has the authority to terminate charter contracts if the charter school has “failed to comply with generally accepted standards of fiscal management.”² The first step toward termination is issuing a Notice of Termination, in which the SPCSA explicitly outlines steps the charter school can take to correct and avoid charter contract termination. Finally, the SPCSA must state when the corrective steps are due and when a public hearing to determine the outcome of termination will be held.

Analysis & Staff Recommendations

Despite ample time to cure, Eagle failed to provide an accurate, balanced budget that would show its financial viability for the 2024-2025 school year. Without the funds necessary to repay NDE and the impending withholding of PCFP payments, the SPCSA staff is concerned that Eagle is financially impaired, and allowing Eagle to continue operations would be detrimental to students, families, and staff.

² NRS 388A.330(1)(a)(2)

Action Plan

To cure this Notice of Termination, Eagle must provide the following on or before July 21, 2024:

- 1) Balanced budget, including all corrections listed in Table 2, employment of a full-time, on-staff mental health professional, a registrar or office manager, and a COO salary at least as high as the principal's salary
- 2) Accurate 12-month Cash Flow Sheet
- 3) Reconstitute their board per NRS 388A.320
- 4) Corrections to the New School Application Financial Plan (NSAFP) per the attached table
- 5) Evidence of private donations
- 6) Evidence of a loan
- 7) Submit copies of executed teacher contracts at the budgeted salaries
- 8) Complete outstanding Epicenter tasks
- 9) Accurately submit all outstanding grant reimbursement requests for FY24, both CSP and Title (see Figures 3 and 4 below)
- 10) Evidence of required training completion by SPCSA-approved trainers for all board members
- 11) Freeze enrollment until the Notice of Termination has been resolved
- 12) Attend the July 26, 2024, SPCSA Board Meeting, where a final termination determination will be made based on completing these action items.

A draft motion follows:

Motion to terminate the charter contract for Eagle Charter School due to owing the Nevada Department of Education \$837,085.27, failure to comply with generally accepted standard of fiscal management, and failure to provide an accurate, balanced budget showing financial viability and educational personnel for the 2024-2025 school year. Further, Eagle shall not enroll additional students until this matter is resolved.

Table 1 Items Requested to Cure the Notice of Concern

	Description of Item Requested	Current Status
1.	2025 Fiscal Year Budget (FYB) addressing a payment plan to repay the debt owed to NDE totaling over \$837,000 as of April 10, 2024. According to NRS 354.596, the tentative budget must be presented to the board by April 15. A hearing of the tentative budget must be held not sooner than the third Monday in May and no later than the last day of May.	Submitted by Eagle Charter School on May 10, 2024. Feedback was shared with the school with the requested changes on May 17, 2024.
2.	Cash Flow Sheet (CFS) absent any CSP grants, as Eagle is ineligible until the NDE debt repayment plan is approved	Submitted by Eagle Charter School for April 13, 2024, through June 2024. Feedback with requested changes was shared with the school on April 19, 2024.
3.	Proof of Health Insurance for all staff and employees backdated for the 2023-2024 school year (NRS 388A.345 (f) (g)).	Submitted by Eagle Charter School on April 19, 2024. SPCSA staff has not yet had the opportunity to review.
4.	<p>Updated 2025 Fiscal Year Budget: Submit a balanced budget for 2024-25 with correct revenue and expense numbers as outlined in the memos “240517_Eagle Update” and “BC_Follow-Up-toEagle-Budget_04122024” (both available here).</p> <p>Additionally, ensure the budget aligns with Items #5-8 below.</p>	<p>Received 5/31/24</p> <p>The school submitted the New School Application Financial Plan (NSAFP) as its budget. This is acceptable and, in fact, allows for better analysis. However, it is not the form required by taxation and the NDE. The form the school submitted for its Tentative and Final Budgets to the NDE is called the 4405 Budget Form.</p> <p>Concerns are outlined in Table 2.</p>
5.	Aftercare Program – Evidence of Revenue: Provide	Received 5/31/24

	<p>evidence of the revenue earned in the before and after school care program for the 2023-24 school year.</p> <p>**If there is no evidence, remove that revenue item from the 2024-25 budget.</p>	
6.	<p>Private Donations: Provide evidence of the private donations indicated in the 2024-25 budget.</p> <p>**If there is no evidence, remove the revenue item from the 2024-25 budget.</p>	<p>Not received. We did receive a memo indicating that this amount was reduced to \$20,000, but no evidence was provided. It remains in the budget.</p> <p>Additionally, another line item was added, "Private Fundraising (foundations, corporate)," with an amount of \$46,800. No evidence was provided.</p>
7.	<p>Lease Documents: Provide a memo or lease agreement from the landlord that indicates the cost of rent through the 2024-25 school year.</p> <p>**The updated 2025 Fiscal Year budget should match the numbers provided.</p>	<p>Received 5/31/24</p>
8.	<p>Cash Balance: Provide evidence of the cash balance set aside.</p> <p>**If there is no evidence, remove this from the 2024-25 budget.</p>	<p>Not received. Andrea Shorter stated that the money was set aside in a separate account. We received what appears to be the primary bank account statements through April 30, 2024. The balance at that time was \$279,742.99. This was prior to the adjusted PERS payment that was required due to a miscalculation of money owed.</p> <p>On a subsequent phone call 5/22/24 with Andrea and Tyrone, Andrea stated they were adjusting the starting cash balance to \$157,000.</p>
9.	<p>Financials - Bank Statements: Provide bank statements from July 1, 2023, to present.</p>	<p>Received 5/31/24</p> <p>Ultimately, it appears the school spent the excess funds on operational costs.</p>

<p>10. Financial Policies:</p>	<ul style="list-style-type: none"> • Provide an updated copy of the Financial Policies and Procedures. • Provide a summary of the changes that were made to the updated copy of the Financial Policies and Procedures. • Provide an agenda and draft or approved minutes when the governing board discussed and approved the changes to the Financial Policies and Procedures. 	<p>Not received.</p> <p>We received the minutes from 8/16/22, when the policy manual was approved, and a copy of the original policy manual. The minutes indicate that the original manual was approved with changes, but it is unclear what those changes were. At the May SPCSA Board Meeting, Eagle Board members stated that they had updated policies and procedures.</p> <p>The manual indicates the COO is responsible for ensuring the manual is followed. The manual requires the following, which did not happen:</p> <ul style="list-style-type: none"> • At the end of each month, the COO or designee will prepare a Balance Sheet and Monthly Budget versus Actual activities comparison Report and a Cash Flow Projection Report that will be reported quarterly to the Board of Trustees. • Report the status of every grant to the Board of Trustees on a timely basis. • Prepare and maintain on a current basis a Grants/Contracts Summary for each grant or contract awarded. • Prepare financial reports to funding sources as required. This form shall include the: <ul style="list-style-type: none"> i. Name, address, contact person, and phone number of the funding organization/source; ii. Time period of the grant and period of performance/period applicable for expenditures; iii. All significant covenants (such as bonding or liability insurance requirements) and allowability/restrictions on expenditures; iv. All required financial and program report and due dates; v. The chart of accounts line-item number for the revenue deposited.
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		<ul style="list-style-type: none"> • The COO is responsible for ensuring that budgets are properly maintained on file. • The Board will review actual versus budget performance at least quarterly. Budget variances will be explained along with any recommendations for corrective action as required. Changes and revisions to the budget during the year are made by the COO. • The COO, in collaboration with a Board Officer, will determine if the changes are material enough to warrant Board approval.
11. Board Training:	<ul style="list-style-type: none"> • Provide the date of each governance training the board participated in, which board members attended, and who provided the training. • Provide the date of each financial management training the board participated in, which board members attended, and who provided the training. 	<p>Received 5/31/24</p> <p>According to the school, all board members viewed pre-board training videos:</p> <ul style="list-style-type: none"> • July 12, 2023: Charter Governance Guide and OML/Ryan Herrick. • January 12, 2023: SPCSA Governance Standards/Ryan Herrick. <p>Lone Mountain Strategies provided in-person board training with individual interviews and sessions. Attendees included M. Johnson, T. Henderson, and J. Mallory. This group included just two board members.</p> <p>Note that Lone Mountain Strategies is not on the approved board training vendor list.</p>
12.	Upon high-risk designation for the CSP grant from Opportunity 180, what technical assistance was offered to the school and board?	The school has not taken advantage of any of the training opportunities that O180 offered them for free. They indicated they would do so this summer but did not indicate a date.
13.	Provide resumes of each Board Member.	<p>Received the following resumes on 5/31/24:</p> <p>Monica Johnson</p> <p>Sherlene Simpson</p> <p>Shelia Gilchrist</p>

		<p>H. Tyrone Henderson</p> <p>Jasmin Graciano</p> <p>Note on 5/30/24, we were notified that Tyrone had resigned on 5/28/24:</p> <p>“After considerable thought and consideration, I have decided to resign as an Eagle Nevada Charter Board Member due to fundamental differences in the philosophy of Educational Leadership practices, financial prudence, communication (transparency), and organizational structure. I can't continue as an Eagle Charter Nevada Board Member with these fundamental differences, which I have discussed with a school leadership team member at length. Distinguish members of the Board and Organizational Stakeholders. This decision was not easy for me to make. However, this decision was based on the best interest of the school and its learning environment. With that said, I can not provide adequate leadership direction as a school board member with these fundamental differences that currently exist and feel will not be able to be worked out with the current organizational structure. I am resigning immediately as an Eagle Charter School Board Member for these reasons.”</p> <p>New Action Required: The Eagle board must be fully reconstituted per NRS 388A.240, including a board member with a financial background.</p>
14.	Provide a resume and background on the individual and company who are providing accounting and financial services to the school.	<p>Received 05/31/24</p> <p>The ACS Business & Accounting Solutions Proposal to Perform Financial and Accounting Services, which included background on key personnel, including Andrea Shorter on page 9.</p>
15.	Provide a copy of the executed contract with the accounting and financial services provider.	<p>Received 05/31/-24</p> <p>Executed contract with ACS Business & Accounting Solutions LLC</p>

Table 2 Concerns Regarding the May 31, 2024 Budget Submission

Previous Concerns Made to the School on April 19, 2024, and May 17, 2024	May 31, 2024, Budgets
SPCSA staff requires evidence of any loans.	<p>The budget shows a loan of \$160,000 with no evidence to back that up.</p> <p>The school appears to have added a row (row 32) for this on the Cash Flow tab.</p>
<p>\$500,000 Beginning Cash Balance</p> <p>The SPCSA requested evidence of this as Andrea Shorter stated that the money was set aside in a separate account. We received what appears to be the primary bank statements through April 30, 2024. The balance at that time was \$279,742.99. This was prior to the \$99,000 repayment to PERS. On a subsequent phone call on 5/22/24 with Andrea and Tyrone, Andrea stated they were adjusting the starting cash balance to \$157,000.</p>	<p>Now showing \$157,892.00</p> <p>Need evidence of this amount of cash on hand.</p>
<p>The school submitted an FY25 grant application for Title I, totaling \$34,571.99, but included Title I revenue of \$109,702. Amend the revenue to match the grant award.</p>	<p>Minor discrepancy remains</p> <p>\$46,799.11 remaining in FY24; \$34,571.99 awarded in FY25 totals \$81,371.10. No track record of spending federal grant money in accordance with allowable expenses. There is no track record of accurately submitting reimbursement requests.</p>
<p>The school submitted an FY25 grant application for Title IIA, totaling \$16,803.55, but included Title IIA revenue of \$54,130 on two line items. Amend the revenue to match the grant award.</p>	<p>Minor discrepancy remains</p> <p>\$19,105.28 remains in FY24; \$16804 awarded in FY25 Totals \$35,908.83. No track record of spending federal grant money in accordance with allowable expenses. There is no track record of accurately submitting reimbursement requests.</p>

<p>The school submitted an FY25 grant application for Title III, totaling \$5,355.06, but included Title III revenue of \$12,470. Amend the revenue to match the grant award.</p>	<p>Discrepancies remain. There are no remaining funds in FY4. The Y25 allocation is \$5344</p>
<p>The school submitted an FY25 grant application for IDEA, totaling \$15,140.35, but included IDEA revenue of \$51,675. Amend the revenue to match the grant award.</p>	<p>Minor discrepancies remain \$19,834.51 remains in FY24. FY25 allocation is \$15,140.35. Total is \$34,974.86</p>
<p>This budget contemplates a net profit of \$144,800 from afterschool enrichment. It also indicates that the individuals working in this program will make \$15 an hour, which seems very low. As a separate attachment, please provide evidence that your profit margins in your after-school program are this high. If they are not this high, please adjust the profit to reflect current profit margins.</p>	<p>Corrected</p>
<p>The school's Updated Budget shows Total Salaries of \$1,216,412.00, and a PERS liability of \$407,498.00. The current PERS rate is 34%, which equates to \$413,580.22. Please update this section of the budget.</p>	<p>Eagle's current 4405 Budget Form shows total Benefits expenditures as 52% of Salaries (\$591,507/\$1,130,204 = 52%). Eagle's New School Application Financial Plan (NSAFP) is at 56% for this ratio, and its PERS / Total Salaries ratio is 34%.</p>
<p>The school's health care costs are extremely low at \$50,302. Even if the school pays only ½ of teacher health care, as they have indicated, the SPCSA expects that number to be closer to \$87,000.</p>	<p>In their NSAFP, they've now increased it to \$113,179 from the prior level of \$99,683 in "Total Medical Benefits."</p>
<p>This budget does not include a counselor or social worker.</p>	<p>It is critical to note that when the SPCSA conducted their enrollment audit on June 3, 2024, Eagle indicated that over 26% of the students qualified as McKinney-Vento students, meaning they are students experiencing homelessness. The state average of McKinney-Vento students is 2.1%. SPCSA staff is concerned that the school anticipates such a significant number of students who are eligible for McKinney-Vento, yet it did not include a counselor or</p>

	<p>social worker in the budget. Counselors and social workers provide critical services to these students and their families.</p> <p>In the Updated Budget the school shows only a “Food services worker(s) and a Day Porter”.</p>
<p>The 3-month cash flow indicates a reimbursement amount of \$64,413.60 in April from Title I & II grants managed by the SPCSA</p>	<p>To date, the total reimbursements for FY24 Title funds is \$10,830.24 out of a total allocation of \$169,179.16 awarded to the school.</p> <p>Although the revenue numbers are close to award amounts, we have no evidence that the school spent money in FY24 in accordance with its grant application. If they had, one can assume, they would have submitted for reimbursement throughout the year. Figure 4 indicates that for several months, they indicated they had no expenditures.</p>
<p>The 3-month cash flow indicates \$217,300.52 in CSP reimbursement requests submitted in May 2024 anticipated to be reimbursed in August 2024 of FY 2025.</p>	<p>The cash flow now indicates \$246,111 in August from the FY24 portion of the award and \$392.713 for FY25. There is no evidence that the school will get this money as scheduled.</p> <p>On May 10, 2024, Eagle submitted a reimbursement request for \$233,129.21. On June 11, 2024, Opportunity 180 provided feedback to Eagle regarding the costs that were unallowable and had been removed and those that required additional support materials. Eagle's response was due by Friday, June 14, 2024. The school did not submit what was required by the June 14 deadline.</p> <p>If Eagle had adequately provided all requested information, their eligible reimbursement would have been \$174,574.23. However, Eagle did not provide any additional information, so they are only eligible to receive \$21,181.10.</p>

	<p>Opportunity 180 requested more information for several of the reimbursement requests. Around \$102k were related to easily corrected administrative errors that could have easily been fixed by Eagle. The expected reimbursement would have been between \$123,490.38 and \$174,574.23.</p> <p>Further, O180 indicated that O180 will not reimburse Eagle until such time as the SPCSA approves a balanced budget, which we cannot do based on the current budget submitted.</p>
<p>Both budgets show the PCFP payment going up on August 1. The school is not eligible for an Exceptional Growth Audit, so they will get the Q4 ADE amount in August, September, and October. This was communicated to the school. The budget needs to be updated to reflect the Q4 ADE through October.</p>	<p>Corrected</p>
<p>English Language Learners (ELL) and Individualized Education Plan (IEP) funding is incorrect. The school will be funded based on the October 2, 2023, Validation Day count. They will be funded for 37 ELL students and 14 IEP students. If any of those students are in both categories, they will only be funded for one.</p>	<p>Corrected</p>
<p>The budgets show legal fees of \$833 a month, which are inadequate.</p>	<p>Increased to \$20,000.00 annually</p>
<p>\$64,800 in private donations is included with no evidence</p>	<p>The summary tab shows \$46,800 in private fundraising from foundations and corporations and \$20,000 in private fundraising from individuals. No evidence was provided and both need to be removed from the budget.</p> <p>The total of \$66,800 is still showing on the Summary tab (rows 33 and 34) of the Updated Budget.</p> <p>On the Enrol & Rev tab we see \$20k in Fundraising Donations.</p>

<p>The New School Application Financial Plan (NSAFP) does not match the 4405 Budget Form in revenues or expenses. See Figures 1 & 2 below.</p>	<p>As recently as June 12, 2024, SPCSA staff were still working with Eagle to complete the 4405 Budget Form, which was due to the NDE on June 10, 2024.</p> <p>The school did submit their 4405 and staff compared it with their NSAFP budget and observed material variances. Staff are seeking clarification from the school about these variances. See Figures 1 and 2 below.</p>
	<p>The budget removed all office staff. The previous budget had a registrar with a \$45,000.00 salary. A school cannot operate without any office staff.</p>
	<p>The COO's salary was reduced from \$120,000.00 to \$60,000.00. This is not fiscally responsible as the board could not replace this individual should the need arise.</p>
	<p>Teacher salaries are extremely low. Would need to see signed contracts for each. For example, two kinder teachers, one with a \$40,00 salary and one with a \$45,000 salary.</p>

Figure 1 New School Application Financial Plan, 12-month cash flow

	Projected Jul	Projected Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Projected Jan	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun
	7	8	9	10	11	12	1	2	3	4	5	6
	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025
	31 days	31 days	30 days	31 days	30 days	31 days	31 days	28 days	31 days	30 days	31 days	30 days
REVENUES												
Loans/Financing Payments				110,000								50,000
Fundraising Donations (w/Ltr of Support)												
Total Revenues	\$139,703	\$497,068	\$167,626	\$277,626	\$610,050	\$315,100	\$315,100	\$315,100	\$315,100	\$315,100	\$359,309	\$572,759
Total Revenues Y-T-D	139,703	636,771	804,397	1,082,023	1,692,073	2,007,173	2,322,273	2,637,374	2,952,474	3,267,574	3,626,883	3,840,333
% Revenue YTD	3%	14%	18%	24%	38%	45%	52%	59%	66%	73%	81%	86%
OPERATING EXPENDITURES & OTHER CASH OUTLAYS												
Personnel	90,353	144,217	144,217	144,217	144,217	144,217	144,217	144,217	144,217	144,217	144,217	144,217
Facilities (Lease/Mortgage)	5,257	5,257	5,257	5,257	15,606	48,257	48,257	66,632	48,257	48,257	48,257	48,257
General Operating Expenses	4,904	29,538	48,409	18,578	66,096	122,768	89,424	69,981	73,731	67,731	68,731	165,581
FPE&T	2,427	8,727	20,180	7,354	19,354	7,354	7,354	7,354	17,354	7,354	19,354	306,273
Insurance	9,051	9,051	9,051	9,051	9,051	9,051	9,051	9,051	9,051	9,051	9,051	9,051
Marketing	-	-	-	-	-	-	4,167	4,167	4,167	4,167	4,167	4,167
Afterschool	9,600	600	600	600	600	600	600	600	600	600	9,600	9,600
Loans/Financing Payments												
PCFP Revenue Repayment	120,959	120,959	120,959	120,959	353,165							
Total Expenditures	\$242,551	\$318,349	\$348,672	\$306,015	\$608,089	\$332,247	\$303,070	\$302,001	\$297,376	\$281,376	\$303,376	\$687,145
Net Surplus (Deficit)	\$(102,848)	\$178,718	\$(181,046)	\$(28,389)	\$1,961	\$(17,147)	\$12,030	\$13,099	\$17,724	\$33,724	\$55,932	\$(114,386)
Updated >Final Surplus (Deficit)	\$2,367	\$3,873	\$3,873	\$3,873	\$(46,127)	\$3,873	\$3,873	\$3,873	\$3,873	\$3,873	\$3,873	\$8,902

Figure 2 4405 Budget Form Submitted to NDE, 12-month cash flow

FYE Jun 30, 2025	Quarter 1			Quarter 2			Quarter 3			Quarter 4			TOTAL PROJECTED BUDGET
	PROJECTED July	PROJECTED August	PROJECTED September	PROJECTED October	PROJECTED November	PROJECTED December	PROJECTED January	PROJECTED February	PROJECTED March	PROJECTED April	PROJECTED May	PROJECTED June	
REVENUES													
Basic Support / PCFP	120,959	120,959	120,959	120,959	568,983	270,300	270,300	270,300	270,300	270,300	270,300	270,300	\$2,944,918
EXPENDITURES													
Salaries	59,500	97,337	97,337	97,337	97,337	97,337	97,337	97,337	97,337	97,337	97,337	97,337	\$1,130,204
Benefits	33,220	50,753	50,753	50,753	50,753	50,753	50,753	50,753	50,753	50,753	50,753	50,753	591,507
Facilities	5,257	5,257	5,257	5,257	15,606	48,257	48,257	66,632	48,257	48,257	48,257	3,286	347,841
Purchased Services	25,982	47,916	78,239	35,582	95,100	139,773	110,596	91,152	104,902	88,902	110,902	494,671	1,423,716
Other													
PCFP Repayment	120,959	120,959	120,959	120,959	353,165								837,000
Loan Payment (Interest Exp' only)	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	\$244,919	\$322,222	\$352,545	\$309,888	\$611,962	\$336,120	\$306,943	\$305,874	\$301,249	\$285,249	\$307,249	\$646,047	\$4,330,268
Net Change [Surplus (Deficit)]	\$(105,215)	\$174,845	\$(184,919)	\$(32,263)	\$48,088	\$(21,020)	\$8,157	\$9,226	\$13,851	\$29,851	\$52,059	\$(123,288)	\$(130,626)

Figure 3 Fiscal Year 24 Title Subawards, Amount Remaining

Grant Program	Total Allocation	Amount Remaining
FY24 Special Education (IDEA, Part B)	19,834.51	19,834.51
FY24 Special Education (IDEA, Part B) PIP	750.00	750.00
FY24 Title I, Part A	49,799.11	46,799.11
FY24 Title II, Part A	19,105.28	19,105.28
FY24 Title III English Learner	6,549.87	-
FY24 Title IV, Part A	-	-
FY25 McKinney-Vento	1,280.44	
FY25 Special Education (IDEA, Part B)	15,140.35	15,140.35
FY25 Title I, Part A	34,571.99	34,571.99
FY25 Title II, Part A	16,803.55	16,803.55
FY25 Title III English Learner	5,344.06	5,344.06

Figure 4 Fiscal Year 24 Title Reimbursement Request History

Grant Program	Due Date	Reimbursement Total	Status Reason
FY24 Title I, Part A	2/15/2024	-	Failed to Submit
FY24 Title II, Part A	2/15/2024	-	Failed to Submit
FY24 Special Education (IDEA, Part B)	2/15/2024	-	Failed to Submit
FY24 Title III English Learner	2/15/2024	-	Failed to Submit
FY24 Title I, Part A	3/15/2024	-	Failed to Submit
FY24 Title II, Part A	3/15/2024	-	Failed to Submit
FY24 Special Education (IDEA, Part B)	3/15/2024	-	Failed to Submit
FY24 Special Education (IDEA, Part B) PIP	3/15/2024	-	Failed to Submit
FY24 Title III English Learner	3/15/2024	-	Failed to Submit
FY24 Title I, Part A	4/15/2024	-	Accepted - No Expenditures
FY24 Title II, Part A	4/15/2024	-	Accepted - No Expenditures
FY24 Special Education (IDEA, Part B)	4/15/2024	-	Accepted - No Expenditures
FY24 Special Education (IDEA, Part B) PIP	4/15/2024	-	Accepted - No Expenditures
FY24 Title III English Learner	4/15/2024	4,583.34	Paid
FY24 Title I, Part A	5/15/2024	-	Accepted - No Expenditures
FY24 Title II, Part A	5/15/2024	-	Accepted - No Expenditures
FY24 Special Education (IDEA, Part B)	5/15/2024	-	Accepted - No Expenditures
FY24 Special Education (IDEA, Part B) PIP	5/15/2024	-	Accepted - No Expenditures
FY24 Title III English Learner	5/15/2024	1,966.53	Paid
FY24 Title I, Part A	6/15/2024	3,000.00	Pending Payment
FY24 Title II, Part A	6/15/2024		Available
FY24 Special Education (IDEA, Part B)	6/15/2024		Available
FY24 Special Education (IDEA, Part B) PIP	6/15/2024	375.00	Revision Required
FY24 Title III English Learner	6/15/2024	-	Funds Exhausted