



FFA Elementary School
170 Lukens Dr.
New Castle, DE 19720
Principal: Ms. Rachel Valentin

FFA Middle School
1101 Delaware Street
New Castle, DE 19720
Principal: Dr. Laretha Odunosu

Strive for Excellence

July 31, 2015

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Delaware Department of Education
Charter School Office
401 Federal St., Suite 2
Dover, DE 19901
Attention: Jennifer Nagourney

Ladies and Gentlemen:

By letter of March 24, 2015, Family Foundations Academy was formally advised that the Department of Education, with the assent of the State Board of Education, had determined that, as the result of Formal Review proceedings, the criteria for remedial action under Title 14, Delaware Code, Section 516, had been satisfied and that FFA has been placed on probation for 6 months, subject to certain conditions, one of which is a monthly report to DOE outlining FFA's progress on each of the identified violations of the School's charter. The violations of the charter that were identified in the Charter School Accountability Committee's final report regarding the formal review proceedings were board governance, board oversight and conflicts of interest, financial operations and administrative operations. FFA's first such monthly report, filed on March 31, 2015, commented on each of the areas mentioned. In that report we acknowledged four open issues and requested DOE to inform us if there were any others. We have not been so informed of any other open issues. All of those open issues that can be addressed at this time have been addressed and previously reported on. This is the report for the month of July..

Board Governance. The Department recommended that FFA take steps if any matter involving a possible conflict between FFA and EastSide Charter should arise so that all EastSide connected Board members could recuse themselves without depriving the Board of a quorum. We do not see on the immediate horizon any opportunity for a conflict between FFA and EastSide but nevertheless we do plan to take steps before September to address this concern.

Board Oversight and Conflicts of Interest. As previously reported, we are not aware of any open issues in this area other than perhaps the routine compliance with public reporting by the Board of its activities. FFA is in compliance with all such public reporting requirements.

Financial Operations. As previously reported, to perform the financial audit for FY15 we have engaged a firm different from the firm that performed last year's audit. The firm of Haggerty & Haggerty has begun their field work and we expect the audit to be completed in due course this fall.

It was previously reported that the School was projected to end this fiscal year with an operating deficit of approximately \$441,000 which is attributable primarily to one time extraordinary expenditures by prior management: \$324,000 for legal services; \$138,500 for leadership and charter renewal consulting services; \$85,000 for a forensic audit; and the return of \$77,000 of funding to the State and local school districts because of 10 students who were erroneously reported as enrolled on September 30. The operating deficit for FY15 has been calculated as \$408,927, before depreciation (unaudited). The deficit will in any event be absorbed by more than \$2.8MM of carryover funds from prior years.

The budget for FY 16 (attached) projects a small surplus. The FY16 budget assumes enrollment of 810 students v. a charter authorization of 800 and v.782 students enrolled at the end of FY15. Our enrollment for FY 16 as of the current date is 813.

The State has accepted our Pcard internal control policy and has authorized us to have Pcards again. All principals have gone through Pcard training.

Administrative Operations. There are no open issues here pending from the Formal Review proceedings. The School believes it is in compliance with all administrative operating requirements.

Relocation of Facilities. As previously reported, the School plans to relocate to 160/170 Lukens Drive, New Castle (recently vacated by Reach Academy) in two steps over two years in order to consolidate its Elementary and Middle Schools at that one location. The School has now executed a definitive lease with respect to that move. A Major Modification request has been filed to approve this relocation of facilities.

Accordingly, the School has satisfied all requirements of the probation that can be satisfied at this time and expects to continue operating in accordance with all regulatory requirements.

Very truly yours,



Charles S. McDowell
Board President



Lamont W. Browne, Ed.D.
Executive Director

	Budgeted Receipts FY15	Projected Preliminary Budgeted Receipts FY16
Revenue:		
State - Carryover MCI Funds (50022)	\$ 170,730	\$ 102,000
State - Unit Formula (05213)	\$ 4,937,887	\$ 4,973,291
State - MCI FY16 (50022)	\$ 102,030	\$ 98,000
State - Technology Block Grant (05235)	\$ 11,465	\$ 11,465
State - Educ Acctiab. (05215)	\$ 2,433	\$ 2,500
State - Educational Sustainment Fund (05289)	\$ 140,256	\$ 140,000
State - Sequester Contingency (00254)		
State - Stipends (05225) - (Mentoring)	\$ 13,658	
State - High Performing Charter Fund (05221)	\$ 2,686,269	\$ 2,720,141
Local - District Funding (98000)	\$ 441,099	\$ 518,010
Local - Food Service (91100, 98144)		\$ 20,000
Local - Uniform Fees (?????)		\$ 20,000
Local - Fundraising (98220)	\$ 49,000	\$ 35,000
Local - Interest (98000)	\$ 15,868	\$ 10,000
Local - Cost Recovery (98041)	\$ 1,403	\$ 5,000
Local - Foundation (98141, 98140, 98159)		
Local - E Rate (98029)		\$ 10,000 [2]
Local - Summer Camps (98205)	\$ 79,494	
Local - Before and After Care (98139)	\$ 27,925	\$ 30,000
Local - Carryover (98000) -- Capital Deposit & Improvements		\$ 58,090
Federal Funds	\$ 652,100	\$ 498,206 [3]
Total Receipts	\$ 9,365,900	\$ 9,231,703
	Budgeted Expenses FY15	Projected Budgeted Expenses FY16
Expenditures:		
Salaries - Admin		\$ 889,764
Salaries - Instructional		\$ 2,454,574
Salaries - Food Service		\$ 24,304
Total Salaries	\$ 3,811,015	\$ 3,368,642
Other Employment Costs - Admin		\$ 363,154
Other Employment Costs - Instructional		\$ 1,269,199
Other Employment Costs - Food Service		\$ 31,700
Total Other Employment Costs	\$ 1,690,991	\$ 1,664,053
Total Building		\$ 899,591
Maintenance, Utilities, & Insurance		\$ 562,400
Central Office Transfer		\$ 686,800 [4]
TEF Transfer		\$ 9,070
Food Service		\$ 512,992
Transportation		\$ 585,780
Educational Services		\$ 195,000
Educational Supplies		\$ 170,000
Professional Services		\$ 45,000
Supplies and Equipment		\$ 135,000
Special Programs		\$ 78,000
Depreciation & Amortization		\$ 139,371
Contingency Reserve		\$ 153,869
Total Other Expenses	\$ 4,304,515	\$ 4,172,873
Total Expenditures	\$ 9,806,520	\$ 9,205,567
Surplus	\$ (440,620)	\$ 26,136