

FAMILY FOUNDATIONS ACADEMY

Families Focused on Achievement

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May 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 but two of those open issues have been addressed and previously reported on. This is the report for the month of May and we report below on the two remaining open issues.

Board Governance. One remaining issue is to 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 in June 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.



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Financial Operations. The other remaining open issue is to have a financial audit completed by an auditor other than the one who performed the audit for FY14. We are currently seeking proposals from auditors and expect to engage such an auditor before the end of June. The financial audit for FY15 will be completed in due course after the end of the fiscal year (June 30, 2015).

In other financial matters, draft minutes of the CBOC meeting on April 27, 2015 have now been posted on the School's website, subject to approval at the next quarterly CBOC meeting.

It was previously reported that the School was projected to end this fiscal year with an operating deficit of approximately \$378,000 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; and \$85,000 for a forensic audit. The operating deficit for this year is now projected to be approximately \$471,000. The increase is attributable to 10 students who were erroneously reported by the prior administration to have been enrolled on September 30, 2014. We were recently informed of this erroneous report and that required the return of approximately \$77,000 of funding to the State and local school districts. The deficit will in any event be easily absorbed by more than \$2.8MM of carryover funds from prior years. Preliminarily we project a break even budget for FY16.

The School continues to work with the Division of Accounting to ensure all preliminary requirements are met to again have the privilege of using the State's Pcard system.

Administrative Operations. There are no open issues here. The new principal for the Middle School, Laretha Powell Odumosu, commenced full time work for the School on May 4 so that new building principals are now in place for both the Elementary and Middle Schools.

Very truly yours,



Charles S. McDowell
Board President



Lamont W. Browne, Ed.D.
Executive Director