

Alma d'arte Charter High School

Corrective Action Plan – Financial Management

Alma d'arte Charter High School has taken proactive measures to improve the financial stability and management of the school. The first and foremost action was the reduction in operational costs that have been consistently overspent for the previous 7 years. The lack of financial oversight from 2016 through 2023 caused a consistent reduction of fund balance by overspending the operational fund each year, in some cases upwards of \$ 200,000 in a single year. This process involved both personnel and non-personnel expenditures, neither of which was able to be done in a short period of time.

Secondly, Alma d'arte Charter High School has updated its financial software to Skyward as of July 1, 2024. This move was necessary due to the inability to conduct certain transactions such as stale dating checks from previous years. The previous software also had inaccurate calculations regarding payroll liabilities and how they related to the general ledger. The software did not have a year end closing for the prior two years before the change in administration.

The software and accounting support team, who were involved in the forensic audit that discovered the misappropriations from culminating in 2018, are working with the business manager on making the corrections through auditor recommendations and providing training for the Skyward software closing procedures.

Due to consistent over expenditures of the operational fund, circumstances that led to failure of appropriate restitution for the malfeasance, and various funds not having RfR's processed, the school is in a weak budgetary and cash state. The school has increased revenue streams by a variety of methods but still is lacking in cash and budget availability.

Although steps have been taken, there are further actions that are required. The school, in coordination between the governing council, finance and audit committees, legal counsel, and the management team, have decided the appropriate course of action is partner and contract with the Las Cruces Public Schools on specific corrective measures. The school will also implement a marketing strategy that will help increase student enrollment, increase revenue funding streams, and provide public information about the strengths and benefits of the school.

A team from the Las Cruces Public Schools Finance Department will provide direct training and technical assistance to Alma d'arte Charter High School to correct the

findings from the FY24 Financial Audit. Specifically, the team will focus on the material weaknesses found in the audit (Accrued Payroll Liabilities, Fund Balance, and Financial Close and Reporting). The team will also test and provide appropriate technical assistance in budgetary control.

The team will work directly with the school administrator and business manager. The team will report progress and make recommendations to the finance and audit committees as well as the governing council.

Condition 2024-001: Accrued Payroll Liabilities (Material Weakness)

Action	Person Responsible and Participants	Timeline
Migrate to Skyward software	Business Manager	Completed
Work with Skyward software and accounting support to accurately reflect payroll liabilities	Business Manager and Skyward support	Ongoing, completion by 6/30/25
Increase funds through donations and other methods	Director, Business Manager, Governing Council	Ongoing
Provide an internal self-assessment of controls related to Payroll Liabilities	Director, Business Manager, Las Cruces Public Schools	6/01/25

Condition 2024-002: Fund Balance (Material Weakness)

Action	Person Responsible and Participants	Timeline
Work with CLA auditors to correctly enter Journal Entries as recommended by the audit	Business Manager	Ongoing through 4/15/25
Provide an internal self-assessment of controls related to fund balance	Director, Business Manager, Las Cruces Public Schools	6/01/25

Condition 2024-003: Financial Close and Reporting (Material Weakness)

Action	Person Responsible and Participants	Timeline
Work with CLA auditors to correctly enter Journal Entries as recommended by the audit	Business Manager	4/15/25
Correction of GL from past unclosed years to have an appropriate GL listing of Payroll Liabilities	Business Manager and Skyward support	Completed
Utilize fund 21100 for USDA state claim	Business Manager	Completed
Provide an internal self-assessment of controls related the general ledger balances and closing preparation	Director, Business Manager, Las Cruces Public Schools	6/01/25

Condition 2024-004: Internal Controls over Payroll (Other Noncompliance)

Action	Person Responsible and Participants	Timeline
Create a secure and central location for human resource files and with limited and secure access	Director	Completed
Provide training to Office Manager regarding personnel files recordkeeping	Business Manager	Completed
Provide an internal self-assessment of record keeping in Human Resources	Director, Business Manager, Las Cruces Public Schools	6/01/25

Condition 2024-005: Internal Controls over Cash Disbursements (Other Noncompliance)

Action	Person Responsible and Participants	Timeline
Provide training to Office Manager regarding UCOA	Business Manager	Completed
Provide UCOA training to Office Manager and Business Manager through NMASBO	Business Manager, Office Manager	4/15/25
Provide an internal self-assessment for cash disbursements, coding, and Travel and Per Diem compliance	Director, Business Manager, Las Cruces Public Schools	6/01/25

Condition 2024-006: Budgetary Conditions (Other Noncompliance)

Action	Person Responsible and Participants	Timeline
Migrate to Skyward software and create correct allocations for employee positions	Business Manager	Completed, Update to occur by 6/15/25
Provide training to Office Manager regarding UCOA	Business Manager	Completed
Provide reporting training to Office Manager and Business Manager through Skyward	Business Manager, Office Manager, Skyward Support	Initiated 7/01/24 and ongoing
Provide an internal self-assessment for positional coding and budgetary internal controls	Director, Business Manager, Las Cruces Public Schools	6/01/25