



**DEPARTMENT OF DINÉ EDUCATION
THE NAVAJO NATION**

P.O. Box 670 · Window Rock, Arizona 86515
PHONE (928) 871 – 7475 · FAX (928) 871 – 7474



Jonathan Nez
President

Myron Lizer
Vice-President

NNBEJY-734-2021

**RESOLUTION OF THE
NAVAJO NATION BOARD OF EDUCATION**

Relating to Education; Approving the Reauthorization of the Kin Dah Lichi'i Olta, Inc. for the Operation of Education, Education-Related, and Residential Programs, Pursuant to Public Law 100-297, for the Period of Two (2) Years, Beginning July 30, 2021 and Ending on June 30, 2023.

WHEREAS:

1. The Department of Diné Education (hereinafter the “Department”) is the administrative agency within the Navajo Nation with responsibility and authority for implementing and enforcing the educational laws of the Navajo Nation. 2 N.N.C. § 1801 (B); 10 N.N.C. § 107 (A). The Department is under the immediate direction of the Board. 10 N.N.C. § 107 (B).
2. The Navajo Nation Board of Education (hereinafter the “Board”) is the education agent in the Executive Branch for the purposes of overseeing the operation of all schools serving the Navajo Nation. 10 N.N.C. § 106 (A). The Board carries out its duties and responsibilities through the Department of Diné Education. 10 N.N.C. §106 (G)(3). In addition, “the Board [has the] general power to monitor the activities of all Bureau of Indian Affairs funded schools and local community school boards serving the Navajo Nation...” 10 N.N.C. § 106 (G)(1).
3. On May 16, 2012, the Health, Education and Human Services Committee of the Navajo Nation Council enacted HEHSCMY-012-12 and the “Administrative Rules and Regulations,” that delegated the Navajo Nation Board of Education with the authority to approve P.L. 100-297 and P.L. 93-638 contract reauthorizations. HEHSCMY-012-12 sets forth the parameters and conditions for reauthorization of schools.
4. In accord with HEHSCMY-012-12, the Board reviews and recommends the reauthorization of Public Law 93-638 Indian Self-Determination and Education Assistance Act contract and Public Law 100-297 grant schools and residential programs under the Tribally Controlled Schools Act for the operation of education and education-related programs and/or residential programs in accord with the contract application for a certain number of years and bases and formulates its recommendations upon the testimony, reports, and supporting information provided by the **Kin Dah Lichi'i Olta, Inc.**, and the monitoring reports and recommendations provided by the Department of Diné Education.

NAVAJO NATION BOARD OF EDUCATION

*Priscilla B. Manuelito, **President** · Spencer W. Willie, **Vice President** · Dr. Victoria Yazzie, **Secretary**
Member: Sharon A. Toadecheenie · Marlene Burbank · Dr. Henry Fowler · Andrea K. Thomas
Freda Nells · Joan A. Gray · Emerson John · Dr. Pauletta White
Patricia Gonnig, Acting Superintendent of Schools*

5. The Board finds that the **Kin Dah Lichi'i Olta, Inc.** submitted a reauthorization application that complies with the requirements of the Grant/Contract Conversion/Maintenance Handbook (**ECF-12-01**) and **HEHSCMY-012-12. Kin Dah Lichi'i Olta, Inc.'s** application is attached hereto as **"EXHIBIT A."**
6. According to audit reports and testimony provided by the Office of Diné Accountability & Compliance ("ODAC") attached hereto as **"EXHIBIT A-1,"** the **Kin Dah Lichi'i Olta, Inc.** is compliant with the financial and audit requirements contained in **HEHSCMY-012-12,** warranting "two years of reauthorization." The **Kin Dah Lichi'i Olta, Inc.'s** 2019 audit was Qualified and contained material weaknesses in the financial statements and federal awards sections.
7. The **Kin Dah Lichi'i Olta, Inc.** academic progress report is provided and attached hereto as **"EXHIBIT A-2,"** in addition to other documents provided by the Office of Education Research & Statistics ("OERS") and Office of Diné School Improvement ("ODSI").
8. The Board finds that the **Kin Dah Lichi'i Olta, Inc.** has complied with the Navajo language and culture instructional requirements, incorporation of the Diné Content Standards, and addressed other findings as reported by the Office of Standards, Curriculum, and Assessment Development ("OSCAD"), attached hereto as **"EXHIBIT A-3."** The school's Oral Diné Language Assessment ("ODLA") test scores are also attached.
9. According to reports provided by the COGNIA, the **Kin Dah Lichi'i Olta, Inc.** was rated as "Accredited." This report is attached hereto as **"EXHIBIT A-4."**

NOW THEREFORE BE IT RESOLVED THAT:

1. The Navajo Nation Board of Education approves the reauthorization of the grant of the **Kin Dah Lichi'i Olta, Inc.** to operate education, education-related, and residential programs for two (2) years, beginning July 30, 2021 and ending on June 30, 2023.
2. The **Kin Dah Lichi'i Olta, Inc.** shall continue to enhance the learning of Diné Language and Culture, develop and implement a strong Diné Language/Culture program for the students, including updating the school's Diné language and culture curriculum and incorporation of the Navajo Nation's Five (5) Content Standards (Diné Language, Culture, Government, History, and Character), and provide Diné Language assessment data to the Department.
3. The Navajo Nation Board of Education hereby conditions its sanctions, approval, and reauthorization upon the standard conditions, attached hereto as **"EXHIBIT B,"** which the Navajo Nation places upon Navajo Nation tribal organizations which are authorized to operate BIA-funded education and education-related programs.

4. To the extent permitted by Navajo Nation law, the Navajo Nation further conditions approval of this reauthorization application based on the school's compliance with addition conditions, attached hereto as "EXHIBIT C."
5. The Navajo Nation Board of Education hereby recommends and empowers the Superintendent of Schools to take any actions deemed necessary and proper to carry out the purposes of this resolution and directive.

C E R T I F I C A T I O N

I hereby certify that the foregoing resolution was duly considered by the Board of Education of the Navajo Nation at a duly called meeting at Window Rock, Arizona (Navajo Nation) at which a quorum was present, motioned Spencer Willie and seconded by Joan A. Gray and that the same was passed by a vote of 8 in favor; 0 opposed; 1 abstained, this 30th day of July 2021.



Priscilla B. Manuelito, President
Navajo Nation Board of Education



3. Application Content

A. Name, address and phone number of the school board submitting the application.

Kin Dah Lichi'í' Olta, Inc.
P.O. Box 800
Ganado, Arizona 86505

Telephone Number: (928) 775-3439 / 3430 Fax: (928) 775-3448

Contact persons: Willie Tracy, Jr., President - resigned
Harriette Leuppe, Vice-President
Christine Wallace, Secretary/Treasurer
Linda Youvella, Member

The approved 2016-2020 Navajo Nation Local School Board Apportionment Plan (HEHSCMA-21-16) states that school consists of a four (4) member board: 2 – Kin Dah Lichii Chapter; and 2 – At-large with Cornfields / Ganado Chapters.

Note: It's been reported by the school board that Mr. Willie Tracy, Jr. had resigned; followed up with the Fort Defiance Elections Office and they researched their records to confirm his resignation – confirmed on July 22, 2021 that resignation notice was emailed to the election office on November 19, 2020. Therefore, the school currently has a three (3) active member board.

B. Resolutions from the local school board and the chapter(s) within the school's authorized boundaries supporting the school board application.

The application package includes:

Resolution of the Kin Dah Lichi'í' Olta, Inc.; passed at a duly called meeting on March 15, 2021, To Support Reauthorization to Operate Under Public Law 100-297.

Supporting Resolutions are from:

- 1. Cornfields Chapter; passed on March 14, 2021
- 2. Ganado Chapter; passed on April 13, 2021
- 3. Kin Dah Lichi'í' Chapter; passed on March 22, 2021

C. Narrative explanation of the school board's prior experience and knowledge in operating the school.

The application includes all three (3) board member's narratives outlining their experiences and educational backgrounds. On an ongoing basis, the board members attend conferences, workshops and training to remain abreast of current school operation and board knowledge to meet the needs of the school and personal interest.

D. Information on the geographic and demographic factors in the affected areas.

2021 RELEASE UNDER E.O. 14176

The application package includes the geographic and demographic factors, as they comply with Navajo Nation Policies and Procedures for Waiver of School Attendance Boundaries for Navajo Nation Bureau of Indian Affairs-Funded Schools Commencing in School Year 2000 (Resolution # ECN-112-00).

E. A narrative description identifying each of the programs to be offered by the school board and a description of an implementation plan for each program.

Included in the packet, Kin Dah Lichi'l' Olta, Inc. Executive Summary of School Programs that include:

- Administration
- ISEP
- Title II
- Parental Involvement
- Physical Education (PE) Sparks
- Special Education
- Counseling Program
- Diné Language and Culture
- Family and Child Education (FACE) Program
- Instruction Programs
- Curriculum
- Extra-Curricular Activities
- After-School Programs
- Facility Maintenance
- Facility Operation
- Transportation

F. If not adopted, an affirmative statement that the Navajo Nation North Central Association (NN/NCA) Academic Standards will be adopted, and that NN/NCA Certification will be acquired within one year.

The application package includes a copy of a Certificate of Accreditation, certifying that Kin Dah Lichi'l' Olta, Inc. having met the criteria for educational quality established by the Cognia Global Commission and is hereby presented a Certificate of Accreditation by the North Central Association Commission on Accreditation and School Improvement, the Northwest Accreditation Commission, and the Southern Association of Colleges and Schools Council on Accreditation and School Improvement; valid through June 30, 2021.

G. Statement certified by the school board if applicable, that the Residential Standards will be in conformance with 25 CFR Part 36 Subpart H. School boards shall report to OIEP with respect to instances of non-compliance with space and privacy requirements due to inadequate facilities.

Not Applicable since Kin Dah Lichi'l' Olta, Inc. does not offer a Residential Program.

H. A specific point by point description of how the school board will handle the Requirements of:

1) Accounting and Management of equipment of the school and future equipment acquisitions.

The accounting and management of equipment of the school and future equipment acquisitions are addressed in the Kin Dah Lichi'l' Olta, Inc. Financial Policies & Procedures; revised and approved on March 15, 2021.

2) A bookkeeping and accounting procedure system

The bookkeeping and accounting procedure system are addressed in the Kin Dah Lichi'l' Olta, Inc. Financial Policies & Procedures; revised and approved on March 15, 2021.

3) Recruitment and retention of adequately trained personnel

The recruitment and retention of adequately trained personnel are addressed in the Kin Dah Lichi'l' Olta, Inc. Personnel Policies & Procedures Manual; approved on June 4, 2019.

4) Personnel policies and procedures

Included in the application package is the Kin Dah Lichi'l' Olta, Inc. Personnel Policies & Procedures Manual; revision approved on October 19, 2020.

5) Financial policies and procedures

Included in the application package is the Kin Dah Lichi'l' Olta, Inc. Financial Policies & Procedures; revised and approved on March 15, 2021.

6) Risk management programs (Insurance, including but not limited to, general liabilities, property protection, fire, vehicles, etc.)

The application includes the Kin Dah Lichi'l' Olta, Inc. contracts with ACORD.

7) Consolidated school reform plans

In lieu of the Consolidated school reform plans, the school's SY 2020-2021 Bureau of Indian Education Schoolwide Plans; the Comprehensive Support and Improvement (CSI) Continuing Program Plan; the SY 2020-2021 BIE Needs Assessment and SMART Goals; and the Family and child Education (FACE) Program Continuing Application Packet (SY21-22); and its SY 2019-2020 School Improvement Plans are included in the application.

Note: Due to the nationwide pandemic of COVID-19 causing school closures, the Bureau of Indian Education has extended the school's submission of its action plans for School Year 2020-2021 are being accepted pending

submission of ALL School Year 2021-2022 plans upon completion/approval no later than October 31, 2021.

8) Reporting Requirements (Single Agency Audit Act of 1984 as amended.)

The reporting requirements (Single Agency Audit Act of 1984 as amended) is addressed in the Kin Dah Lichi'l' Olta, Inc. Financial Policies & Procedures; revised and approved on April 7, 2021.

9) Implementation and enforcement of the Navajo Nation Ethics in Government Law (2 N.N.C. 6).

The implementation and enforcement of the Navajo Nation Ethics in Government Law (2 N.N.C. 6) is addressed in the Kin Dah Lichi'l' Olta, Inc. Governing Board Policies and Procedures Manual; revision approved January 13, 2021.

I. Documentation of Incorporation with the Navajo Nation Corporation Commission.

The application package includes a Certificate of Good Standing dated June 10, 2021 and the Certificate of Incorporation dated March 5, 1999; Kin Dah Lichi'l' Olta, Inc. (File # 100441) was issued and authorized to transact business within the Navajo Nation on March 5, 1999.

Note: The Navajo Nation Business Regulatory Department received the school's annual reporting for 2019 on July 28, 2020; thereafter, in compliance with meeting the annual reporting requirements and is scheduled to submit its 2021 Annual Report shortly after June 30, 2021.

J. A Scope of Work that addresses program implementation and compliance to be utilized as a foundation by an independent auditing firm that will be retained to conduct an annual audit which meets the requirements of the Single Agency Audit Act of 1984 as amended in 1996.

The application package includes a scope of work and the Audited Financial Statements with for the years ended June 30, 2020 with McCabe CPA Group, LLC; June 30, 2019 with HeinfeldMeech; and June 30, 2018 with HeinfeldMeech.

K. Assurances that all employees will receive a background investigation and that the employees will meet the minimum standards for character and suitability required in 25 CFR Part 63.11. School board members, in compliance with Navajo Law (including Navajo Election Law) and Federal laws, will also receive criminal background investigations. The criminal background check will include federal, state, and tribal convictions or *Nolo Contendere* pleas on child related

convictions. No individuals convicted of any child related crimes may serve on the school board.

The application package includes required signed certification from all three (3) school board members, as they will be in compliance.

- L. A Certification from each school board member that they have read and understand 25 USC 450d-Criminal Activities Involving Grants, Contracts, etc.; Penalties.**

The application package includes required signed certification from all three (3) school board members, as they will be in compliance.

- M. Certification from each school board member that they understand that all funds received must be deposited in accounts that are insured by an agency or instrumentality of the United States.**

The application package includes required signed certification from all three (3) school board members, as they will be in compliance.

- N. Certification from each school board member, the school chief administrative officer, and the fiscal & personnel manager that they have read and understand the Provisions of OMB Circular, A-87 particularly those sections that pertain to allowable and unallowable cost.**

The application package includes required signed certification from all three (3) school board members; the Principal, the Business Manager, and the Human Resource Technician, as they will be in compliance.

- O. Certification from each school board member that they have read and understand the "Indian Child Protection and Family Violence Prevention Act of 1990" requiring child abuse reporting procedures plan and background investigation requirement procedures.**

The application package includes required signed certification from all three (3) school board members, as they will be in compliance.

- P. A signed copy of a School Board Code of Ethics from each school board member.**

The application package includes required signed certification from all three (3) school board members, as they will be in compliance.

- Q. Certification from each school board member that they have received training in the contents of these requirements.**

The application package includes required signed certification from all three (3) school board members.

Reviewed by:



Laida B. Maestas, Sr. Education Specialist
Office of Diné Accountability and Compliance
Department of Diné Education

CONCURRENCE:



Darrick Franklin, Education Program Manager
Office of Diné Accountability and Compliance
Department of Diné Education



DEPARTMENT OF DINÉ EDUCATION

The Navajo Nation

P.O. Box 670 - Window Rock, Arizona 86515
Phone (928) 871-7466 - Fax (928) 871-6101



Jonathan Nez
PRESIDENT

Myron Lizer
VICE PRESIDENT

MEMORANDUM

TO: Navajo Nation Board of Education Members

FROM:


Darrick Franklin, Education Program Manager
Office of Diné Accountability & Compliance

DATE: April 8, 2021

RE: Reauthorization Audit Report – **Kin Dah Lichi'I Olta Inc.**

The **Kin Dah Lichi'I Olta Inc.** is non-compliant with the financial and audit requirements contained in HEHSCMY-012-12, warranting “**one**-year(s) reauthorization.” The **Kin Dah Lichi'I Olta Inc.** Audit Ending 2020 was “Unmodified” in both their Financial Statements and Federal Awards sections. Significant Deficiency(ies) was identified in their Federal Awards section as a repeated finding. One (1) were identified as repeated findings (**in red**).

Kin Dah Lichi'I Olta Inc. Audit Ending 2019 was “Unmodified” in their Financial Statements section and “Qualified” in their Federal Awards section. Both Significant deficiency(ies) and Material Weakness(es) were identified in their Financial Statements and Federal Awards sections.

Kin Dah Lichi'I Olta Inc. Audit Ending 2018 was “Unmodified” in both their Financial Statements and Federal Awards sections. Both Significant deficiency(ies) and Material Weakness(es) were identified in their Financial Statements and Federal Awards sections.

A copy of the school’s “Summary of Auditor’s Results” for Audit Ending 2020 is attached.

If you have any questions or concerns please do not hesitate to contact me at (928) 871-7466 or darrickfranklin@nndode.org. Thank you.

KIN DAH LICHPI' OLTA', INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2020

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Significant deficiency(ies) identified:	No
• Material weakness(es) identified:	No
Noncompliance material to financial statements noted:	No

Federal Awards

Internal control over major programs:	
• Significant deficiency(ies) identified:	Yes
• Material weakness(es) identified:	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance:	Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
15.042	Indian School Equalization Program
15.046	Administrative Cost Grants for Indian Schools

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee:	No

**KIN DAH LICI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

NONE NOTED

KIN DAH LICH'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2020-001

Repeat Finding: Yes – 2019-004

Program Name/CFDA Title: Indian School Equalization Program

CFDA Number: 15.042

Federal Agency: U.S. Department of the Interior **Federal Award Number:** A18AV00644

Pass-Through Agency: Bureau of Indian Affairs

Questioned Costs: N/A

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirement: Special Tests and Provisions

CRITERIA

According to the Indian Child Protection and Family Violence Protection Act (25 USC section 3201 et. sec.), the School must conduct a character investigation of each individual who is employed or is being considered for employment in a position that involves regular conduct with, or control over, Indian children. The individual should be reinvestigated every five years. In addition, individuals in those positions must meet the required standards of character no less stringent than those prescribed under subpart B - Minimum Standards of Character and Suitability for Employment (25 CFR part 63).

CONDITION

The School did not have current character investigation documentation for all employees.

CAUSE

School policies were not always followed, or controls were not in place to ensure character investigations were performed timely, and turnover in key positions.

EFFECT

The School was not in compliance with the Indian Child Protection and Family Violence Protection Act.

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of the School's character investigations, we noted the following:

- For one of 13 employee files reviewed, the employees' current investigation documentation was not on file.

The School should ensure character investigations are performed in a timely manner to achieve full compliance with the School's policies and the Indian Child Protection and Family Violence Prevention Act.

VIEWS OF RESPONSIBLE OFFICIALS See Corrective Action Plan.

**KIN DAH LICH'I OLTA', INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

**STATUS OF FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Finding Numbers: FS-2019-001, FS-2018-001, FS-2017-001, FS-2016-002

Status: RESOLVED

Finding Numbers: FS-2019-002, FS-2018-002, FS-2017-002, FS-2016-001

Status: RESOLVED

Finding Number: FS-2019-003, FS-2018-004

Status: RESOLVED

**KIN DAH LICH'I OLTA', INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

**STATUS OF FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Finding Numbers: FS-2019-001, FS-2018-001, FS-2017-001, FS-2016-002

Status: RESOLVED

Finding Numbers: FS-2019-002, FS-2018-002, FS-2017-002, FS-2016-001

Status: RESOLVED

Finding Number: FS-2019-003, FS-2018-004

Status: RESOLVED



**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors
Kin Dah Lichi'i Olta', Inc.

Report on Compliance for Each Major Federal Program

We have audited Kin Dah Lichi'i Olta', Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kin Dah Lichi'i Olta', Inc.'s major federal programs for the year ended June 30, 2019. Kin Dah Lichi'i Olta', Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Kin Dah Lichi'i Olta', Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Kin Dah Lichi'i Olta', Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of Kin Dah Lichi'i Olta', Inc.'s compliance.

Basis for Qualified Opinion on Indian School Equalization Program and Administrative Cost Grants for Indian Schools

As described in Finding 2019-001, in the accompanying schedule of findings and questioned costs, Kin Dah Lichi’i Olta’, Inc. did not comply with requirements regarding the following.

<u>Finding Number:</u>	<u>CFDA Numbers:</u>	<u>Program (or Cluster) Names</u>	<u>Compliance Requirements</u>
2019-001	15.042	Indian School Equalization Program	Reporting
2019-001	15.046	Administrative Cost Grants for Indian Schools	Reporting

Compliance with such requirements is necessary, in our opinion, for Kin Dah Lichi’i Olta’, Inc. to comply with the requirements applicable to that program.

Qualified Opinion on Indian School Equalization Program and Administrative Cost Grants for Indian Schools

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Kin Dah Lichi’i Olta’, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Indian School Equalization Program and Administrative Cost Grants for Indian Schools for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, 2019-003, and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

Kin Dah Lichi’i Olta’, Inc.’s responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Kin Dah Lichi’i Olta’, Inc.’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of Kin Dah Lichi’i Olta’, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kin Dah Lichi’i Olta’, Inc.’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kin Dah Lichi’i Olta’, Inc.’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2019-002, 2019-003, and 2019-004 to be significant deficiencies.

Kin Dah Lichi'i Olta', Inc.'s responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Kin Dah Lichi'i Olta', Inc.'s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Kin Dah Lichi'i Olta', Inc. is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Kin Dah Lichi'i Olta', Inc.'s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Kin Dah Lichi'i Olta', Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Kin Dah Lichi'i Olta', Inc.'s basic financial statements. We issued our report thereon dated March 24, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
March 24, 2020

KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: Yes

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: Yes

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
15.042	Indian School Equalization Program
15.046	Administrative Cost Grants for Indian Schools

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: No

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

Findings and Questioned Costs Related to Federal Awards: Yes

Summary Schedule of Prior Audit Findings required to be reported: Yes

KIN DAH LICH'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finding Number: FS-2019-001

Repeat Findings: Yes – FS-2018-001, FS-2017-001, FS-2016-002

Type of Finding: Material Weakness

Description: Internal Controls Over Accounting Records, Cash Reconciliations, Journal Entries, and Information Technology

CRITERIA

School management is responsible for establishing and maintaining internal controls over the general ledger to ensure transactions are properly authorized and recorded in accordance with Generally Accepted Accounting Principles (GAAP) (25 CFR 900.45). The School's systems of internal controls must extend beyond the cash basis general ledger and the supporting schedules prepared by the School; rather, it must also include controls over the GAAP basis financial statements. Finally, School management is responsible for establishing and maintaining internal controls over cash reconciliations that are adequate to ensure that all financial activities are properly processed and recorded.

CONDITION

The School did not have adequate internal controls over financial reporting at the general ledger and financial statement level to ensure that all financial activities were properly processed and recorded and supporting documentation was maintained. The School lacked adequate internal controls over its cash reconciliation process and lacked appropriate segregation of duties.

CAUSE

The School's internal controls are not adequately established and implemented and turnover in key positions.

EFFECT

The School's internal controls over financial reporting at the general ledger and financial statement level are not adequate to ensure that a misstatement would be prevented and/or detected. Audit adjustments were necessary to correctly present the financial statements. The School was not always in compliance with GAAP, School policies or federal regulations and guidelines. Journal entries were posted to the School's general ledger without proper approval and supporting documentation.

KIN DAH LICH'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-001

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of the School's accounting records, we noted the following:

- Bank reconciliations for the first six months of the fiscal year were not performed timely. In addition, the School has not established an appropriate review process over bank reconciliations.
- For two of 17 journal entries reviewed, the journal entries were not supported by documentation.
- For five of 17 journal entries reviewed, the journal entries were not approved by an authorized person other than the preparer.
- The School did not have adequate controls or segregation of duties in place over ACH payments.
- The School did not adequately limit access to applications or financial software based on the needs of the individual's job function in order to prevent unauthorized access to critical systems.
- The School did not remove financial system access for terminated or transferred employees.

RECOMMENDATION

School management should periodically review internal controls to ensure they are operating effectively and are being followed. The School must also design and implement effective internal control procedures to ensure the general ledger and financial statements are free from misstatements. The School's journal entries procedures should require all journal entries to be accompanied by supporting documentation, proper approval of the entries and review of the entries by someone other than the preparer. The School's bank reconciliations should be reviewed after timely preparation. Finally, the School should design and implement effective internal control procedures to adequately segregate duties.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finding Number: FS-2019-002

Repeat Findings: Yes – FS-2018-002, FS-2018-003, FS-2017-003, FS-2016-001

Type of Finding: Significant Deficiency

Description: Internal Controls Over Expenditures and Credit Cards

CRITERIA

School management is responsible for establishing and maintaining internal controls over disbursements and credit card purchases that are adequate to ensure that all financial activities are properly processed and recorded. Further, Indian tribes and tribal organizations may without the approval of the BIA expend funds provided under a self-determination contract for purposes identified in 25 USC 46, to the extent that the expenditure of the funds is supportive of a contracted program. These guidelines require internal controls over expenditures of federal monies including the use of requisitions or purchase orders to ensure expenditures comply federal regulations and guidelines (25 CFR 39; 25 CFR 45; 25 CFR 900).

CONDITION

The School lacked adequate internal controls over its accounting of disbursements and credit card purchases to ensure all financial activities were properly approved, processed, recorded, and supported.

CAUSE

The School did not have adequate review procedures and policies in place, and turnover in key positions.

EFFECT

The School was not in compliance with School policies or federal regulations and guidelines. The School's internal controls over disbursements were not adequate to ensure that all financial activities were properly processed, recorded and supported.

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of various disbursements and credit card purchases, we noted the following:

- For six of 10 credit card transactions reviewed totaling \$639, the School did not provide the funding source for the transactions.

KIN DAH LICH'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-002

CONTEXT

- For five of 10 credit card transactions reviewed, the School did not retain supporting documentation.
- For five of 10 travel reimbursements reviewed, the School reimbursed the employees at 100 percent of the reimbursement rate rather than 75 percent of the allowable reimbursement rate as per GSA policy for the first and last day of travel, resulting in an overpayment of \$143.
- For fifteen of 40 disbursements reviewed, the purchase order was issued after the goods and services were received.
- For one of 40 disbursements reviewed, the purchase order was not maintained. As a result, it could not be determined if the description and quantity of the expenditure agreed to the purchase order.
- The School's credit card account was set up for automatic monthly payments.
- The School did not have adequate controls or segregation of duties in place over the credit card.

RECOMMENDATION

The School should develop and implement stronger internal controls over its accounting of disbursements and credit card purchases to ensure that all financial activities are properly approved, processed, recorded, and supported. Finally, the School should also ensure employees are reimbursed at the appropriate rates for travel and supporting documentation is maintained.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

KIN DAH LICH'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finding Number: FS-2019-003

Repeat Finding: Yes – FS-2018-004

Type of Finding: Significant Deficiency

Description: Internal Controls Over Payroll

CRITERIA

School management is responsible for establishing and maintaining internal controls over payroll that are adequate to ensure that all payroll disbursements are properly processed and recorded in accordance with Fair Labor Standards Act (FLSA) and School policies.

CONDITION

The School lacked adequate internal controls over its payroll records to ensure that all payroll disbursements were properly processed and recorded.

CAUSE

Internal controls over payroll were not in place or were not operating effectively.

EFFECT

The School was not always in compliance with School or FLSA policies.

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of payroll records and compensated absences, we noted the following:

- For two of 40 payroll records reviewed, the employees pay could not be recalculated, resulting in an overpayment in the amount of \$430.
- For two of five employees reviewed, the beginning balance in leave hours from the current year listing did not agree to prior year's ending.
- For one of five employees reviewed, the leave units earned were not in line with the School's policy. The employee should have earned four hours per pay period; however, the employee earned six hours per paid period for nine pay periods. The leave was used by the employee.

RECOMMENDATION

The School should develop and implement stronger internal controls over its accounting of payroll to ensure that all financial activities are properly processed.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**KIN DAH LICHPI OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-001

Repeat Finding: No

Program Names/CFDA Titles:	CFDA Numbers:	Federal Award No.'s:	Questioned Costs:
Indian School Equalization Program	15.042	A18AV00695	N/A
Administrative Cost Grants for Indian Schools	15.046	A18AV00695	N/A

Federal Agency: U.S. Department of the Interior

Pass-Through Agency: Bureau of Indian Affairs

Type of Finding: Noncompliance, Material Weakness

Compliance Requirements: Reporting

CRITERIA

The School is required to file the Federal Financial Report, SF-425, to report program outlays and program income on a cash or accrual basis, as prescribed by the Federal awarding agency. The submission of reports will be on a quarterly, semi-annual or annual basis as directed by the funding agency. Quarterly and semiannual reports are due no later than 30 days from the end of each reporting period. Annual reports are required to be submitted no later than 90 days at the end of each reporting period. Additionally, amounts reported should be on a cumulative basis.

CONDITION

The School did not meet its financial reporting obligations during the year.

CAUSE

The School did not have an adequate system in place to monitor compliance with these requirements, and turnover in key positions.

EFFECT

The School was not always in compliance with federal regulations and guidelines. Less than full compliance with these reporting requirements could potentially result in a reduction or discontinuation of program awards in the future.

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of the School's SF-425 reports, we noted the following:

- Amounts reported on the SF-425 reports could not be agreed to supporting documentation.
- The second quarter SF-425 report was not submitted timely.
- The first quarter SF-425 report was not completed and submitted.

**KIN DAH LICH'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-001

RECOMMENDATION

The School should establish and implement policies and procedures for the creation and submission of accurate reports on a timely basis.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-002

Repeat Findings: Yes – 2018-001, 2017-001, 2016-001

Program Names/CFDA Titles:	CFDA Numbers:	Federal Award No.'s:	Questioned Costs:
Indian School Equalization Program	15.042	A18AV00695	\$143
Twenty-First Century Community Learning Centers	84.287	A18AV00695	430
Title I Grants to Local Educational Agencies	84.010	A18AV00695	269
Administrative Costs Grants for Indian Schools	15.046	A18AV00695	N/A

Federal Agencies: U.S. Department of the Interior, U.S. Department of Education

Pass-Through Agency: Bureau of Indian Affairs

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/
Cost Principles

CRITERIA

The School is required, except where otherwise authorized by statute, to ensure costs meet the general criteria outlined in 2 CFR 200.403 in order to be allowable under federal awards, including the costs be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles.

Further, Indian tribes and tribal organizations may without the approval of the BIA expend funds provided under a self-determination contract for purposes identified in 25 USC 46, to the extent that the expenditure of the funds is supportive of a contracted program. These guidelines require internal controls over expenditures of federal monies including the use of requisitions or purchase orders to ensure expenditures comply federal regulations and guidelines (25 CFR 39; 25 CFR 45; 25 CFR 900).

CONDITION

The School lacked adequate internal controls over its accounting of disbursements to ensure compliance with federal regulations and guidelines and School policies.

CAUSE

The School lacked appropriate controls and oversight over disbursements, credit cards and payroll and turnover of key employees.

EFFECT

The School was not always in compliance with School policies or federal regulations and guidelines.

KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-002

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of the School's accounting records, we noted the following:

- For six of 10 credit card transactions reviewed totaling \$639, the School did not provide the funding source for the transactions. As a result, it could not be determined whether the purchases were allowable and reasonable per grant guidelines.
- For five of 10 credit card transactions reviewed, the School did not retain supporting documentation.
- For five of 10 travel reimbursements reviewed, the School reimbursed the employees at 100 percent of the reimbursement rate rather than 75 percent of the allowable reimbursement rate as per GSA policy for the first and last day of travel, resulting in an overpayment of \$143.
- For two of 40 payroll records reviewed, the employees pay could not be recalculated, resulting in an overpayment in the amount of \$430.
- For two of 17 journal entries reviewed, the journal entries were not supported by documentation.
- For five of 17 journal entries reviewed, the journal entries were not approved by an authorized person other than the preparer.

RECOMMENDATION

The School should develop and implement stronger internal controls over the various areas of expenditures in accordance with federal regulations and guidelines.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-003

Repeat Finding: No

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>	<u>Federal Award No.'s:</u>	<u>Questioned Costs:</u>
Indian School Equalization Program	15.042	A18AV00695	N/A
Administrative Cost Grants for Indian Schools	15.046	A18AV00695	N/A

Federal Agency: U.S. Department of the Interior

Pass-Through Agency: Bureau of Indian Affairs

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirements: Procurement, Suspension, and Debarment

CRITERIA

Non-federal entities other than states, including those operating federal programs as subrecipients of states, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal statutes and the procurement requirements identified in 2 CFR part 200. The Board adopted a Policies and Procedures Manual that requires the collection of quotes for purchases of at least \$5,000 but no more than \$50,000, and formal bid procedures in accordance with federal regulations for purchases over \$50,000. Uniform Guidance requires that purchases under the Simplified Acquisition Threshold of \$150,000 follow the requirements for small purchase procedures, and purchases over \$150,000 be procured either through a sealed bid or a competitive proposal (2 CFR Section 200.320).

CONDITION

The School did not follow its Board adopted Policies and Procedures Manual or federal regulations in the administration of procurements.

CAUSE

School policies were not always followed or controls were not in place to ensure adherence to small purchase and formal bid procedures, and turnover in key positions.

EFFECT

The School was not in compliance with the Board adopted Policies and Procedures Manual or the Uniform Guidance requirements under 2 CFR Section 200.320.

**KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-003

CONTEXT

The sample documented below was not intended to be, and was not, a statistically valid sample. During our review of procurement, we noted the following:

- The School could not provide award documentation for one expenditure exceeding \$50,000 in accordance with School policies.
- For three of six vendors reviewed for purchases of at least \$5,000 but no more than \$50,000, the School did not maintain documentation of quotes obtained in accordance with School policies.
- For three of four vendors reviewed within the simplified acquisition threshold, the School did not obtain quotes in compliance with federal requirements.

RECOMMENDATION

The School should adhere to their Board adopted Policies and Procedures Manual and to Uniform Guidance requirements under 2 CFR Section 200.320.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-004

Repeat Finding: No

Program Name/CFDA Title: Indian School Equalization Program

CFDA Number: 15.042

Federal Agency: U.S. Department of the Interior

Federal Award Number: A18AV00644

Pass-Through Agency: Bureau of Indian Affairs

Questioned Costs: N/A

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirement: Special Tests and Provisions

CRITERIA

According to the Indian Child Protection and Family Violence Protection Act (25 USC section 3201 et. sec.), the School must conduct a character investigation of each individual who is employed or is being considered for employment in a position that involves regular contact with, or control over, Indian children. The individual should be reinvestigated every five years. In addition, individuals in those positions must meet the required standards of character no less stringent than those prescribed under subpart B – Minimum Standards of Character and Suitability for Employment (25 CFR part 63).

CONDITION

The School did not have current character investigations for all employees.

CAUSE

School policies were not always followed or controls were not in place to ensure character investigations were performed timely, and turnover in key positions.

EFFECT

The School was not in compliance with the Indian Child Protection and Family Violence Protection Act.

CONTEXT

The sample was not intended to be, and was not, a statistically valid sample. During our review of the School's character investigations, we noted the following:

- For five employee files reviewed, the employees' character investigations had expired and a current investigation was not on file.

KIN DAH LICHI'I OLTA', INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-004

RECOMMENDATION

The School should ensure character investigations are performed in a timely manner to achieve full compliance with the School's policies and the Indian Child Protection and Family Violence Prevention Act.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



KIN DAH ŁICHÍ'Í ÓLTA'

HOME OF THE WOLVERINES

Willie Tracey Jr
President

Harriett Leuppe
Vice President

Christine Wallace
Board Member

Linda Youvella
Board Member

George Waybenais
Principal

March 24, 2020

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

George Waybenais
Principal

**KIN DAH LICHI'I OLTA', INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2019-001

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- A cut-off day will be established to ensure all bank reconciliations are completed by the 10th of each month.
- All monthly, quarterly and year-end reporting of monthly bank reconciliations, quarterly payroll reports, year-end reporting and adjusting journal entries are to be stored in fire-proof and locked filing cabinets.
- Monthly bank reconciliation is to be reviewed and signed by an immediate supervisor.
- Monthly adjusting journal entries are to be reviewed and signed by an immediate supervisor.
- The school administration will review user access to accounting software to ensure proper segregation of duties and access in financial processes.

Finding Number: FS-2019-002

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- All travel disbursements will be reviewed and signed by an immediate supervisor before disbursement.
- All accounts payable disbursements will be reviewed by immediate supervisor before disbursement.
- A cut-off day will be established to ensure all credit card charges are reconciled back to detail receipts.
- Purchase orders will be created prior to any charges being incurred to ensure proper coding of expenditures.
- The accounts payable and payroll technician are responsible to disburse travel and accounts payable payments.

**KIN DAH LICHI'I OLTA', INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2019-003

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- The payroll technician will review all pay amounts to ensure they are calculated correctly and payroll will be reviewed by the business manager or principal prior to checks being paid.
- All payroll coding be reviewed at the beginning and end of the year by the business manager and human resources to proper coding.
- All leave will be reviewed and approved by a supervisor prior to approval to ensure employees have an adequate balance prior to approval. Leave balances will be updated each pay period to ensure timely information is provided to supervisors to review.

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-001

Program Names/CFDA Titles:	CFDA Numbers:
Indian School Equalization Program	15.042
Administrative Cost Grants for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: Planned Corrective Action:

- The business manager will ensure the Federal Financial Report, SF-425, is submitted before the deadline for each quarter, not later than 30 days.
- Supporting documentation for reports submitted will be retained in the business office.
- Reconciliations are completed for revenues collected within the organization, utilizing the Bureau of Indian Education Amendments on funding approval and using the Automated Standard Application for Payments (ASAP).

**KIN DAH LICH'I OLTA', INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-002

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Twenty-First Century Community Learning Centers	84.287
Title I Grants to Local Educational Agencies	84.010
Administrative Cost Grant for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- All year-end reporting and adjusting journal entries are to be stored in fireproof and locked filing cabinets.
- Monthly adjusting journal entries are to be reviewed and signed by an immediate supervisor.
- All travel disbursements will be reviewed and signed by an immediate supervisor before disbursement.
- A cut-off day will be established to ensure all credit card charges are reconciled back to detail receipts.
- Purchase orders will be created prior to any charges being incurred to ensure proper coding of expenditures.
- The payroll technician will review all pay amounts to ensure they are calculated correctly and payroll will be reviewed by the business manager or principal prior to checks being paid.

Finding Number: 2019-003

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Administrative Cost Grants for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: Prior to purchase order approval, the business manager will review vendor totals to ensure school procurement policies are being followed. On a monthly basis, the accounts payable technician will review vendor totals that have exceeded procurement limits to ensure vendor files contain proper procurement documentation.

**KIN DAH LICHPI OLTA', INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-002

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Twenty-First Century Community Learning Centers	84.287
Title I Grants to Local Educational Agencies	84.010
Administrative Cost Grant for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- All year-end reporting and adjusting journal entries are to be stored in fireproof and locked filing cabinets.
- Monthly adjusting journal entries are to be reviewed and signed by an immediate supervisor.
- All travel disbursements will be reviewed and signed by an immediate supervisor before disbursement.
- A cut-off day will be established to ensure all credit card charges are reconciled back to detail receipts.
- Purchase orders will be created prior to any charges being incurred to ensure proper coding of expenditures.
- The payroll technician will review all pay amounts to ensure they are calculated correctly and payroll will be reviewed by the business manager or principal prior to checks being paid.

Finding Number: 2019-003

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Administrative Cost Grants for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: Prior to purchase order approval, the business manager will review vendor totals to ensure school procurement policies are being followed. On a monthly basis, the accounts payable technician will review vendor totals that have exceeded procurement limits to ensure vendor files contain proper procurement documentation.

**KIN DAH LICHPI OLTA', INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-002

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Twenty-First Century Community Learning Centers	84.287
Title I Grants to Local Educational Agencies	84.010
Administrative Cost Grant for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- All year-end reporting and adjusting journal entries are to be stored in fireproof and locked filing cabinets.
- Monthly adjusting journal entries are to be reviewed and signed by an immediate supervisor.
- All travel disbursements will be reviewed and signed by an immediate supervisor before disbursement.
- A cut-off day will be established to ensure all credit card charges are reconciled back to detail receipts.
- Purchase orders will be created prior to any charges being incurred to ensure proper coding of expenditures.
- The payroll technician will review all pay amounts to ensure they are calculated correctly and payroll will be reviewed by the business manager or principal prior to checks being paid.

Finding Number: 2019-003

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Administrative Cost Grants for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: Prior to purchase order approval, the business manager will review vendor totals to ensure school procurement policies are being followed. On a monthly basis, the accounts payable technician will review vendor totals that have exceeded procurement limits to ensure vendor files contain proper procurement documentation.

**KIN DAH LICH'I OLTA', INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-002

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Twenty-First Century Community Learning Centers	84.287
Title I Grants to Local Educational Agencies	84.010
Administrative Cost Grant for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- All year-end reporting and adjusting journal entries are to be stored in fireproof and locked filing cabinets.
- Monthly adjusting journal entries are to be reviewed and signed by an immediate supervisor.
- All travel disbursements will be reviewed and signed by an immediate supervisor before disbursement.
- A cut-off day will be established to ensure all credit card charges are reconciled back to detail receipts.
- Purchase orders will be created prior to any charges being incurred to ensure proper coding of expenditures.
- The payroll technician will review all pay amounts to ensure they are calculated correctly and payroll will be reviewed by the business manager or principal prior to checks being paid.

Finding Number: 2019-003

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>
Indian School Equalization Program	15.042
Administrative Cost Grants for Indian Schools	15.046

Contact Person: George Waybenais, Principal

Anticipated Completion Date: May 31, 2020

Planned Corrective Action: Prior to purchase order approval, the business manager will review vendor totals to ensure school procurement policies are being followed. On a monthly basis, the accounts payable technician will review vendor totals that have exceeded procurement limits to ensure vendor files contain proper procurement documentation.

KIN DAH LICHPI' I OLTA', INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

Status of Findings and Questioned Costs Related to Federal Awards

Finding Numbers: 2018-001, 2017-001, 2016-001

Program Names/CFDA Titles:	CFDA Numbers:
Title I Grants to Local Educational Agencies	84.010
Special Education Cluster	84.027
Child Nutrition Cluster	10.553, 10.555
Indian School Equalization Program	15.042
Indian Child and Family Education	15.043
Indian Schools Student Transportation	15.044
Administrative Cost Grants for Indian Schools	15.046
Indian Education Facilities, Operations, and Maintenance	15.047

Status: Not corrected. See current year finding 2019-002.

Planned Corrective Action: The following corrective actions were implemented in May 2019. Due to the lag time between audits and implementation, many of the findings for fiscal year 2018-19 reoccurred as a result of transactions occurring prior to the corrective action plan's implementation date.

- All year-end reporting and adjusting journal entries are to be stored in fireproof and locked filing cabinets.
- Monthly adjusting journal entries are to be reviewed and signed by an immediate supervisor.
- All travel disbursements will be reviewed and signed by an immediate supervisor before disbursement.
- A cut-off day will be established to ensure all credit card charges are reconciled back to detail receipts.
- Purchase orders will be created prior to any charges being incurred to ensure proper coding of expenditures.
- The payroll technician will review all pay amounts to ensure they are calculated correctly and payroll will be reviewed by the business manager or principal prior to checks being paid.

Status of Findings and Questioned Costs Related to Federal Awards

Finding Number: 2018-002

Program Names/CFDA Titles:	CFDA Numbers:
Indian School Equalization Program	15.042
Administrative Cost Grants for Indian Schools	15.046

Status: Fully corrected.

2020-2021 SCHOOL DATA

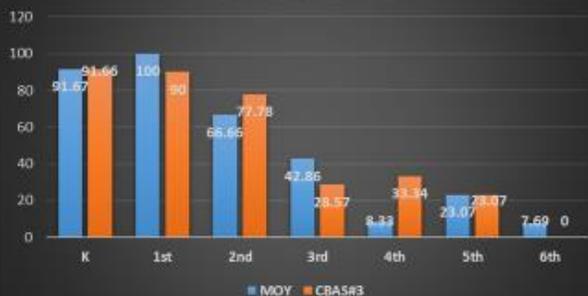
Office of Educational Research and Statistics

- ◇ Enrollment: 139
- ◇ Teacher count: 9 (K-6 and Special Area)
- ◇ Attendance: 84.28% (Aug 2020-Apr 2021)
- ◇ Promotion from 6th grade: 13 (June 2021)

2020-2021 ENGLISH LANGUAGE ARTS

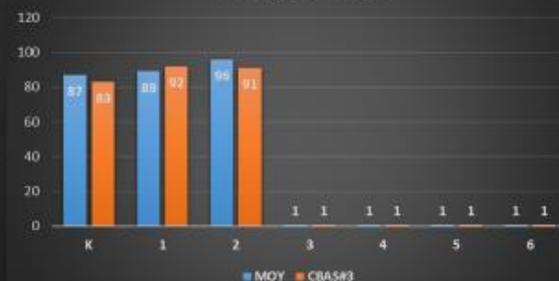
Proficiency

GALILEO - ELA



Growth

GALILEO - ELA



*CBAS: Curriculum Base Assessment System – Specifically for AZ

2020-2021 MATH

Proficiency

GALILEO - MATH



Growth

GALILEO - MATH



*CBAS: Curriculum Base Assessment System – Specifically for AZ

SCHOOL IMPROVEMENT Office of Diné School Improvement

SCHOOL IMPROVEMENT/DATA TEAM:

- ◆ Arlene Roanhorse, Academic Coach
- ◆ Rachele Cleveland
- ◆ Evelyn Tsosie
- ◆ Anna David
- ◆ Leta Thomas
- ◆ Ramona Pinto
- ◆ Eleanor Smith
- ◆ Michelle Nez
- ◆ Sadie Bitsuie
- ◆ Sharon James

SCHOOL IMPROVEMENT/DATA TEAM OBJECTIVES:

- ◆ Review the S.I.P objectives
- ◆ Update information on Native Star
- ◆ Review Galileo Intervention Alerts to determine weakness and strength of students at each grade level
- ◆ Meet every month as Professional Learning Community
- ◆ Develop working relationship with Dorothea Litson to assist us to interpret data and UDP training



Office of Dual School Improvement
 DEPARTMENT OF THE EDUCATION
 1000 East Alameda, 80513
 P.O. Box 10000, 80502
 Tel: 303-471-1222
 Fax: 303-471-1240

MYRON LEYER
 Vice-President

Office of Dual School Improvement
FOCAL SCHOOL AGREEMENT
 2021-2023

Sis Dab Lish'í 'Ósh'
 School Name

The Office of Dual School Improvement (ODSI) of the Navajo Nation Department of Dual Education designed an innovation strategy that has technical assistance to build capacity for implementing a sustaining system reform. The goals are as follows:

- Establish collaborative learning environment with shared leadership.
- Advance teachers' understanding of standard-based content, curriculum, instruction, and assessment in ELA, mathematics, and science with emphasis on people, place, Language and Culture (PP1C) for a Dual perspective.
- Create school environment where multiple data measures are integrated into all levels of decision making.
- Create school environment with high level of learning in ELA, Mathematics and Science for all students.
- Establish an infrastructure to support and sustain successful reform strategies.
- Provide technical assistance on-site to strengthen and support school in developing a wide plan to implement standards-based ELA, Mathematics and Science education for all students.

These goals are aligned with the state accountability systems and the Dual School Accountability Plan.

As a result, the Office of Dual School Improvement (ODSI) from the Department of Dual Education enters into an agreement with **Sis Dab Lish'í 'Ósh'**, to provide technical assistance to meet the goals mentioned above.

The following outlines the scope of the agreement between the ODSI and **Sis Dab Lish'í 'Ósh'** (ODSI):

- Create and share a student level and demographic database for the school administrators and teacher to utilize for school improvement.
- Facilitate the Using Data Process to develop a School Wide Action and a professional development plan for improving the student learning goals identified in ELA, mathematics and/or science education.

- Facilitate on-site professional development plan developed by the school data team.
- Make provisions for teachers and teacher assistants responsible for instruction to receive professional development sponsored by ODSI.
- Ensure that Administrators receive 6 hours of professional development in the areas of standards-based curriculum reform and innovative instructional strategies.
- Coordinate all professional development activities with outside vendors and with ODSI.
- Establish Teacher Incentive for Data Team and teachers.
- Establish one parental involvement activity that encourages participation in school initiatives.
- Conduct annual evaluation.

School: School Name Sis Dab Lish'í 'Ósh'

- Review the student level and demographic data to ODSI.
- Develop a Data Team with 3-6 members at the school site that must be consist of:
 - o Identify a person to replace a data team member who will be no longer on the team.
- Provide release time for Data Team to attend ODSI training, monthly meeting for monitoring of professional development plan
 - o Participate in the Using Data Process Workshops including Teacher Incentive(s).
- Support the implementation of the developed professional development plan where release time is set aside for implementation within the academic school year.
- Coordinate and participate in one academic activity that encourage parental involvement in school initiatives.
- Participate in the evaluation conducted by ODSI.

We understand that our school **Sis Dab Lish'í 'Ósh'** will collaborate with the ODSI to develop and implement the criteria listed above.

Signature: Ron Dora
 Authorized School Team Leader

05-05-21
 Date

Signature: [illegible]
 Principal

05-05-2021
 Date

Signature: [illegible]
 ODSI Education Administrator

5-05-21
 Date



Navajo Nation Grant School Reauthorization—**Kin Dah Lich'I Olta**

Grade Level: *K-6* State Assessment: *PARCC*

Demographics:

Enrollment:

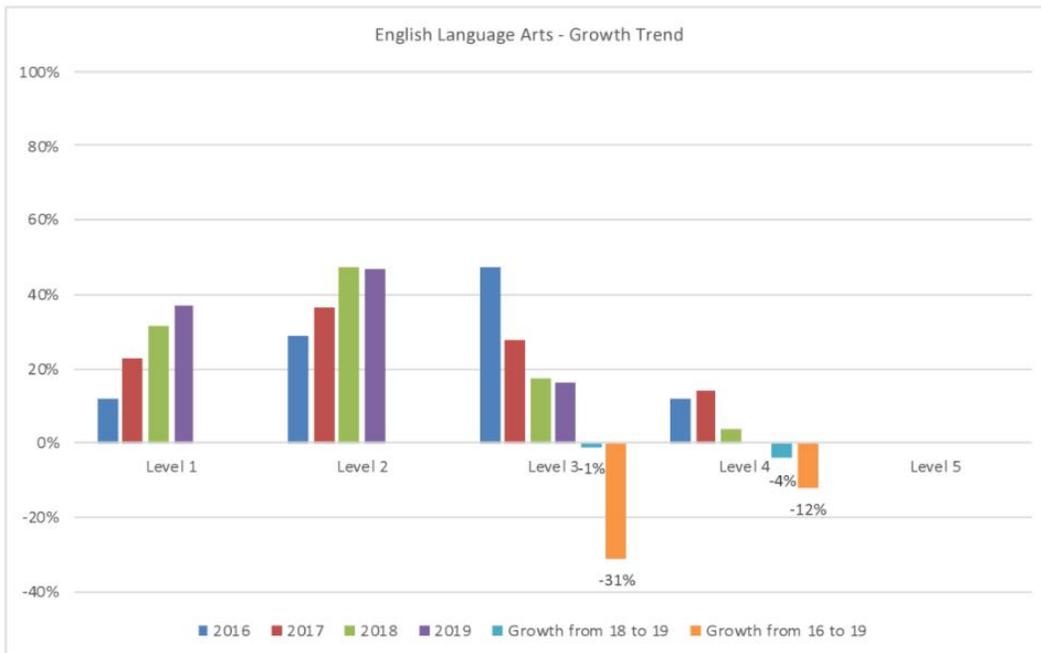
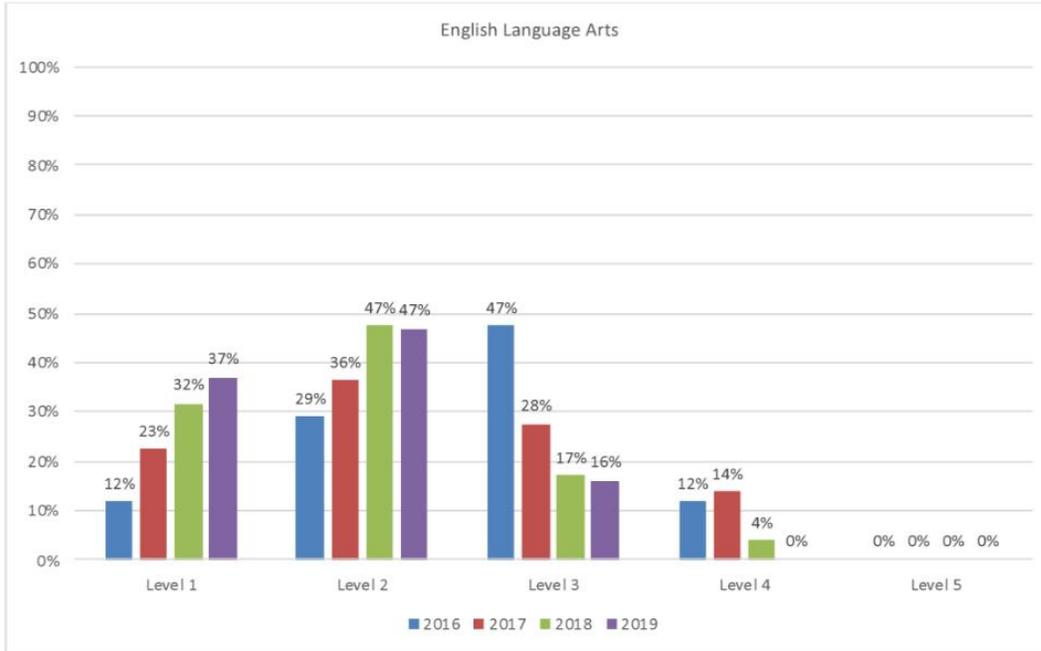
Attendance Rate:

Drop Out Rate:

Teacher Count:

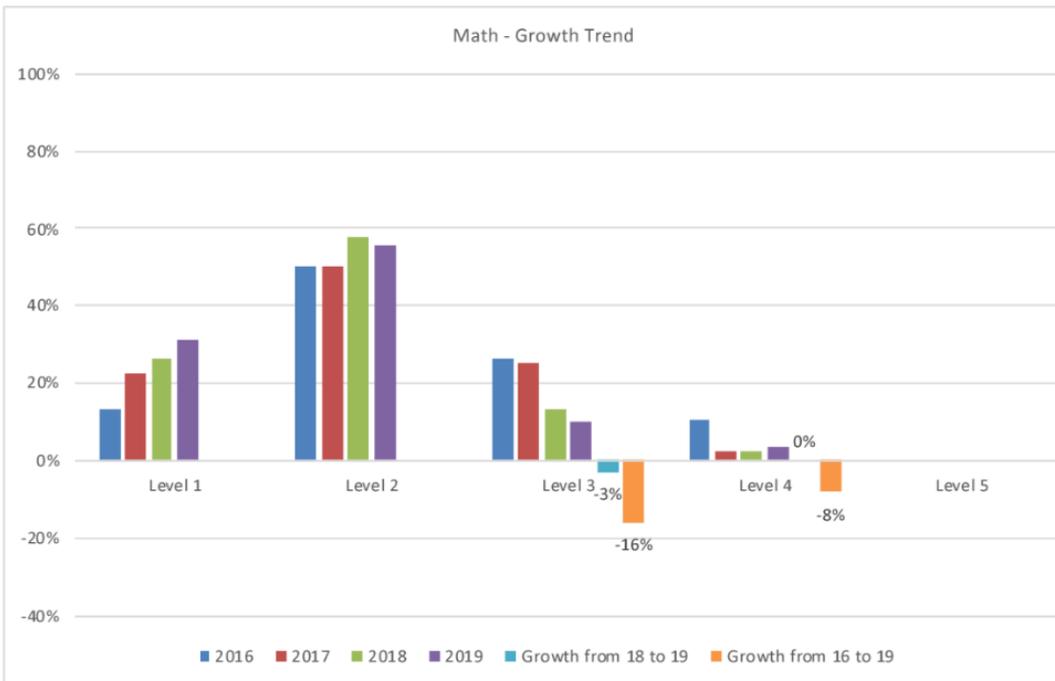
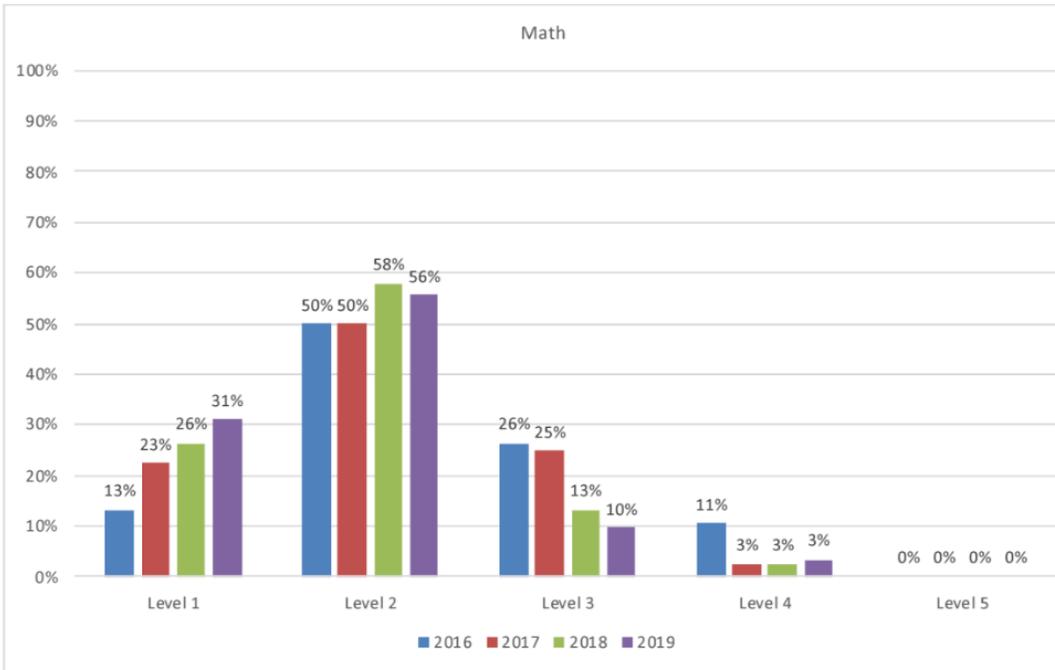
Graduation Rate:

English Language Arts - PARCC 2017-2018					
	# of Students Tested	Level 1	Level 2	Level 3	Level 4/5
All Students	62	23	29	10	0
Female	31	11	13	7	0
Male	31	12	16	3	0



Math - PARCC 2017-2018

	# of Students Tested	Level 1	Level 2	Level 3	Level 4/5
All Students	61	19	34	6	2
Female	31	10	18	3	0
Male	30	9	16	3	2





Implementation of Diné Language and Culture

DINÉ BIZAAD BEE 'OONISH



2019-2020 Diné Language Proficiency Assessment

KINDERGARTEN

6% Beginning

94% Emerging

4TH GRADE

11% Beginning

89% Emerging

- Grades K-6 receive 45 minutes of virtual instruction per day
- NO DATA for SY 2020-2021

Diné Content Standards

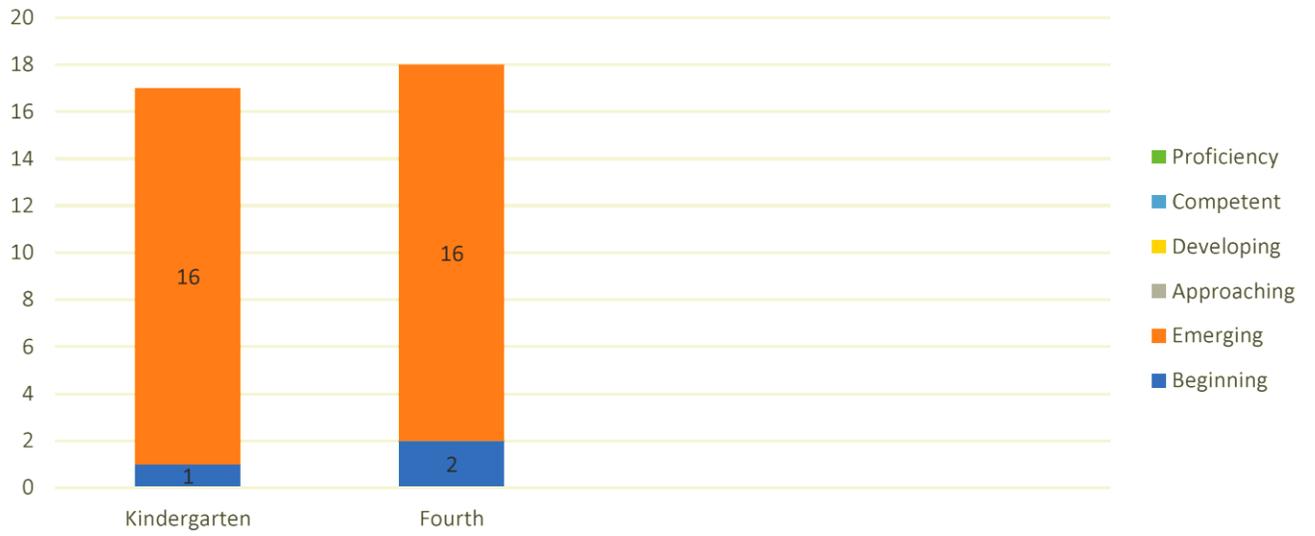
KDLO Diné Language Curriculum K-6; developed summer 2020

- ◆ **Diné Character Development** - 'Adée hosdílzin – 'Ádóóne'é
- ◆ **Diné Oral Language** - T'áá 'altso nidaalnishígíí dóó 'ólta'í 'ádée hólzin dooleel (SIP 'aldó' bii' yisdzoh)
- ◆ **Diné Culture** - T'áá 'altso bá'ólta'í nihee 'ó'óółjįł 'atah yee na'nitin dooleel
- ◆ **Diné Government** - Hooghandóó hodees'áago 'ólta'í 'óhólniih dóó naat'áanii danilį'nígíí bił bééhózin dooleel
- ◆ **Diné History** - Hooghandóó hodees'áago 'ólta'í bik'éeí yééhósin dooleel háálá 'áádóó 'akée náháne' háát'i'

PROFESSIONAL DEVELOPMENT

- ◆ Ms. Bitsuie attended PD on Diné Language assessment - Nov 19, 2020
- ◆ Ms. Bitsuie attended PD on curriculum mapping - Jan 24, 2021
- ◆ Ms. Noble attended PD on presentation by GMCS - Feb 4, 2021
- ◆ Other PD conflicted with prior commitments (i.e. school board meetings)

DINÉ LANGUAGE PROFICIENCY ASSESSMENT
FALL 2019
Kin Dah Liichii' Olta'



Accreditation – Cognia Navajo Nation



- Náás deikai'ígíí baa nihił dahózhó
- KDLO is moving to be fully accredited
- Next monitoring review scheduled Spring 2024



**CONDITIONS ON SANCTIONS
OF TRIBAL ORGANIZATIONS TO OPERATE
BIA-FUNDED EDUCATION AND EDUCATION-RELATED PROGRAMS**

The Navajo Nation hereby places the following conditions on its sanction of the **Kin Dah Lichi'i Olta, Inc. (School)** to enter into a grant with the Bureau of Indian Affairs for the educational programs specified herein.

- a) The Superintendent of Schools shall appoint one (1) staff person from the Department of Diné Education to provide guidance and assistance to the **Kin Dah Lichi'i Olta, Inc.**, in the preparation of the required documents for future reauthorization, compliance with federal and Navajo Nation laws, and, upon request, to assist with any negotiations of the terms and conditions of the proposed grant with the Bureau of Indian Affairs; and,
- b) The Department of Diné Education shall ensure compliance by the **Kin Dah Lichi'i Olta, Inc.** through monitoring and enforcement of the following mandatory provisions:
 - I) The **Kin Dah Lichi'i Olta, Inc.** shall, in the operation of the above noted programs, meet the academic standards established by the Navajo North Central Association, or such other minimum academic standards which may be established by the Navajo Nation Board of Education, and the BIA national dormitory criteria, if applicable; and,
 - II) The **Kin Dah Lichi'i Olta, Inc.** shall have conducted an annual audit, which meets the requirements of the federal Single Audit Act, and which shall be submitted on an annual basis to the Navajo Nation Department of Diné Education for verification and monitoring; and,
 - III) The **Kin Dah Lichi'i Olta, Inc.** shall respond to all audit findings and observations within ninety (90) days, including the development of a corrective action plan providing for the timely correction and/or resolution of all audit findings and observations, and shall provide a copy of its responses to the Department of Diné Education; and,
 - IV) The **Kin Dah Lichi'i Olta, Inc.** shall respond to any directives of the Navajo Nation Board of Education and/or Health, Education, and Human Services Committee related to this reauthorization within ninety (90) days, unless otherwise stated in the directive itself, and shall provide copies of its responses to the Department of Diné Education; and,
 - V) In the event there is a proposed amendment to the grant that adds a program or deletes a program authorized by this resolution, the **Kin Dah Lichi'i Olta, Inc.** shall request authorization from the Navajo Nation Board of Education, submitted through the Department of Diné Education.

- c) The **Kin Dah Lichi'i Olta, Inc.** shall provide 2 copies of all grant-related documents as required by the *Grant/Contract Conversion and Maintenance Handbook* to the Navajo Nation Superintendent of Schools, Department of Diné Education, P.O. Box 670, Window Rock, Arizona 86515 by March 31st of the year in which its presentation to the Navajo Nation Board of Education for reauthorization is scheduled; and,
- d) The **Kin Dah Lichi'i Olta, Inc.** shall present its proposal for reauthorization of the grant to the Navajo Nation Board of Education, which shall have the authority to approve the grant proposal, require the addition and/or deletion of terms and conditions, or decline approval of the grant; and,
- e) The **Kin Dah Lichi'i Olta, Inc.** shall comply with all Navajo Nation laws, including, but not limited to 10 N.N.C. §1 et seq., and 11 N.N.C. §1 et seq., as well as applicable rules established by the Health, Education, and Human Services Committee of the Navajo Nation Council; and,
- f) The **Kin Dah Lichi'i Olta, Inc.** shall permit representatives of the Department of Diné Education, the Navajo Nation Office of the Auditor General, and the Navajo Nation Ethics and Rules Office to conduct monitoring visits and/or have access to all grant records upon request; and,
- g) The **Kin Dah Lichi'i Olta, Inc.** shall provide to the Navajo Nation Superintendent of Schools a written annual report regarding all activities conducted under the grant with the Bureau of Indian Affairs for the preceding school year. This report shall be submitted no later than September 30th of each year. In addition, the **Kin Dah Lichi'i Olta, Inc.** shall include within the report brief descriptions of any substantial administrative, financial, and programmatic problems encountered in its operations; and,
- h) No portion of any grant funds or interest generated from funds received by the **Kin Dah Lichi'i Olta, Inc.** from the Bureau of Indian Education, or any Navajo Nation general funds received directly or indirectly by the **Kin Dah Lichi'i Olta, Inc.** shall be used to fund litigation or administrative proceedings against the Navajo Nation, its officials, employees or entities; and,
- i) No portion of any grant funds or interest generated from funds received by the **Kin Dah Lichi'i Olta, Inc.** from the Bureau of Indian Affairs, or any Navajo Nation general funds received directly or indirectly by the **Kin Dah Lichi'i Olta, Inc.** shall be used for the purpose of providing insurance coverage for members of the school board. Provided, that a board member may participate in the **Kin Dah Lichi'i Olta, Inc.**'s insurance plan, if the school board agrees, and if the board member covers the entire amount of the insurance premiums from his or her personal funds; and,

- j) The **Kin Dah Lichi'i Olta, Inc.** shall, subject to the requirements of the federal Family Educational Rights and Privacy Act (FERPA) and other applicable federal and Navajo Nation laws, provide all requested educational records and personal information collected from students to the Navajo Nation, Department of Diné Education's Navajo Education Information System (NEIS); and,
- k) The Navajo Nation further conditions its sanction upon the agreement by the **Kin Dah Lichi'i Olta, Inc.** that the Navajo Nation through its Board of Education, Department of Diné Education retains the legal authority to monitor the operations and management of the **Kin Dah Lichi'i Olta, Inc.** to enforce Navajo Nation laws, to oversee the performance of the grant hereby approved, and to require that the **Kin Dah Lichi'i Olta, Inc.** make appropriate changes to the operation and management of the **Kin Dah Lichi'i Olta, Inc.** In the event that such changes involve revisions to the scope of the authorization of the **Kin Dah Lichi'i Olta, Inc.**, the Navajo Nation Board of Education, through the Department of Diné Education, shall review the issues involved and approve any revisions to the scope of the authorization; and,
- l) The sanction and authorization provided to the **Kin Dah Lichi'i Olta, Inc.** is strictly limited to that authority granted to operate certain specified education and education-related programs referred to in this resolution.

**ADDITIONAL CONDITIONS ON SANCTIONS
OF THE NAVAJO NATION BOARD OF EDUCATION**

The Navajo Nation Board of Education hereby places the following conditions on the **Kin Dah Lichi'i Olta, Inc.** in addition to the standard conditions and sanctions specified in “**EXHIBIT B.**”

The **Kin Dah Lichi'i Olta, Inc.** shall:

1. Provide a satisfactory report and corrective action plan to the Board, through the Department, regarding an action plan to address and resolve the deficiencies and findings regarding their finances and audits as identified in “**EXHIBIT A-1.**” The school shall provide bi-monthly reports to the Department regarding how they will implement and adhere to a corrective action plan.
2. Provide a satisfactory report and corrective action plan to the Board, through the Department, regarding an action plan to address and resolve the accreditation deficiencies and findings identified in “**EXHIBIT A-4.**”
3. Future Request for Proposals (RFP's) for Annual Audits shall include auditing of school board stipends and travel, and full compliance with the Navajo Nation Uniform Stipend and Travel Policy (ECD-35-10). The school shall also comply with the budgetary limits and Weighted Student Unit (WSU) limits that are required pursuant to ECD-35-10.
4. Submit SF 425 Quarterly Finance Reports to Bureau of Indian Education (BIE) and the Department of Diné Education (Office of Diné Accountability and Compliance).
5. Collaborate with the Office of Standards, Curriculum, & Assessment Development (OSCAD) to enhance the learning of Diné Language and Culture, develop and implement a strong Diné Language/Culture program for the students, including incorporation of the Navajo Nation's Five (5) Content Standards (Diné Language, Culture, Government, History, and Character) aligned to the Common Core State Standards (CCSS) into the school's curriculum. The school shall also participate in professional development and cluster training sessions provided by the Office of Standards, Curriculum, & Assessment Development (OSCAD).
6. Provide one (1) hour of daily instruction in Diné language and culture.
7. Administer the: 1) Oral Navajo Language & Culture-Test-Standardized Based Assessment (ONLC-T-SBA) (new standardized based assessment on Dine Content Standards); and 2) Diné Language Proficiency Assessment (DLPA). The school shall submit data to the Department of Diné Education, Office of Educational Research and Statistics (OERS) and Office of Standards, Curriculum, & Assessment Development (OSCAD). The school shall also administer and submit data for other assessments that are developed by the Office of Standards, Curriculum, & Assessment Development (OSCAD). The school shall provide evidence/documentation that it is complying with this requirement.

8. The school shall continue to provide all requested educational records and data collected from students to the Navajo Nation, Department of Diné Education Office of Educational Research & Statistics (OERS).
9. Continue to follow all Navajo Nation, State and Federal Laws, Policies and Guidelines in operating the school.