



**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-735-2021**

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

**Relating to Education; Approving the Reauthorization of the Leupp Schools, Inc. for the Operation of Education, Education-Related, and Residential Programs, Pursuant to Public Law 100-297, for the Period of Five (5) Months, Beginning July 30, 2021 and Ending on December 31, 2021**

**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 **Leupp Schools, Inc.**, and

**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*

the monitoring reports and recommendations provided by the Department of Diné Education. The Navajo Nation Board of Education also conditions its sanction, approval and authorization upon the standard conditions (Attached hereto as “**EXHIBIT B**”) which the Navajo Nation places upon Navajo Nation tribal organizations which are authorized to operate BIE-funded education and education-related programs, and/or residential programs.

5. The Board finds that the **Leupp Schools, Inc.** has submitted a reauthorization application that complies with the requirements of the Grant/Contract Conversion/Maintenance Handbook (**ECF-12-01**) and **HEHSCMY-012-12**. **Leupp Schools, 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 Board finds that the **Leupp Schools, Inc.** is non-compliant with the financial and audit requirements contained in **HEHSCMY-012-12**. The school’s 2020 audit was rated as “Qualified” and contained material weaknesses in the financial statements and federal awards sections. The school’s 2019 audit was rated as “Qualified” and contained material weaknesses in the financial statements and federal awards sections. The school’s 2018 audit is significantly late (submitted January 3, 2020), was also rated as “Qualified” and contained material weaknesses and significant deficiencies in the financial statements and federal awards sections. The Bureau of Indian Education/Affairs placed school on Level One sanctions, which has now been lifted.
7. The **Leupp Schools, Inc.**’s 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 **Leupp Schools, 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.**”
9. According to reports provided by the COGNIA, the **Leupp Schools, Inc.** was rated as “Accredited Under Review,” which 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 **Leupp Schools, Inc.** to operate education, education-related, and residential programs for five (5) months, covering the period from July 30, 2021 to December 31, 2021.
2. The **Leupp Schools, Inc.** shall provide a satisfactory report and corrective action plan to the Board, through the Department, to 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. The Department and school shall provide bi-monthly reports to the Board regarding the school’s progress. The school shall also hire a highly qualified business manager.

3. The **Leupp Schools, Inc.** shall also provide an action plan to the Department (COGNIA) regarding how the school will successfully resolve their “Accredited Under Review” as identified in **EXHIBIT A-4.**” The school shall also take all necessary actions to improve their accreditation status, including coordination with COGNIA.
4. The **Leupp Schools, 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.
5. 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.
6. 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.**”
7. 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 6 in favor; 0 opposed; 0 abstained, this 30th day of July 2021.



Priscilla B. Manuelito, President  
Navajo Nation Board of Education



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, Leupp Schools' application package includes:

- Kindergarten
- First Grade
- Second Grade
- Third Grade
- Fourth Grade
- Fifth Grade
- Sixth Grade
- Middle School
- Navajo Language (Middle/High School)
- Physical Education
- High School
- FACE Program
- Counseling
- Residential
- Exceptional Student Services
- Transportation
- Facility Maintenance
- Food Service

**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 their certificate, certifying Leupp Schools, Inc. having met the criteria for educational quality established by the AdvancED Accreditation Commission by the NCA Commission on Accreditation and School Improvement, the Northwest Accreditation Commission, and the SACS Commission 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.**

The application package includes required signed certification from all four (4) school board members, as they will be in compliance.

**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 Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; thereafter, the school board reaffirmed the Policies and Procedures Manual at a duly called meeting on November 22, 2019.

**2) A bookkeeping and accounting procedure system**

The bookkeeping and accounting procedure system are addressed in the Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; thereafter, the school board reaffirmed the Policies and Procedures Manual at a duly called meeting on November 22, 2019.

**3) Recruitment and retention of adequately trained personnel**

The recruitment and retention of adequately trained personnel are addressed in the Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; thereafter, the school board reaffirmed the Policies and Procedures Manual at a duly called meeting on November 22, 2019.

**4) Personnel policies and procedures**

Included in the application package is the Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; and amended Bylaws of the Leupp Schools, Inc. Board of Education, approved on June 3, 2018.

**5) Financial policies and procedures**

Included in the application package is the Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; thereafter, the school board reaffirmed the Policies and Procedures Manual at a duly called meeting on November 22, 2019.

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

The application includes the Leupp Schools, Inc. contracts and policies for period 07/01/20 to 07/01/21. Also, its Emergency Management and Continuity of Operations Plan (COOP); board approved on June 3, 2020.

**7) Consolidated school reform plans**

In lieu of the Consolidated school reform plans, the school's the BIE Schoolwide Program Plan (SY20-21); the Needs Assessment and Smart Goals

(SY20-21); Comprehensive Support and Improvement (CSI) Continuing Program Plan; and the School Wide Budget (SY 2020-21) are included in the application.

**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 Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; thereafter, the school board reaffirmed the Policies and Procedures Manual at a duly called meeting on November 22, 2019.

**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 Leupp Schools, Inc. Policies and Procedures Manual, approved on July 3, 2018; thereafter, the school board reaffirmed the Policies and Procedures Manual at a duly called meeting on November 22, 2019.

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

The application package includes a Certificate of Incorporation; Leupp Schools, Inc. (File # 100233) was issued and authorized to transact business within the Navajo Nation on February 13, 1995; and a Certificate of Good Standing dated November 23, 2020 and a Certificate of Good Standing dated April 21, 2020 and a Certificate of Amendment dated October 4, 2018.

*Note: The Navajo Nation Business Regulatory Department received the school's annual reporting for 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 for the years ended June 30, 2020 with HeinfeldMeech; June 30, 2019 with REDW, LLC; June 30, 2018 with REDW, LLC; and June 30, 2017 with REDW, LLC; and the Single Audit Reporting Package for June 30, 2020; June 30, 2019; June 30, 2018; and June 30, 2017.

**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 four (4) 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 four (4) 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 four (4) 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 four (4) school board members; the Principal, Acting Human Resource Technician, and the Business 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 four (4) 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 four (4) 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 four (4) school board members.

Reviewed by:



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

CONCURRENCE:



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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  
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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 15, 2021

**RE:** Reauthorization Audit Report – **Leupp Schools Inc.**

The **Leupp Schools Inc.** is non-compliant with the financial and audit requirements contained in HEHSCMY-012-12, warranting “one-year(s) reauthorization.” The **Leupp Schools Inc.** Audit Ending 2020 was “Unmodified” in their Financial Statements section and “Qualified” in their Federal Awards section of their audit. Both Material Weakness(es) and Significant Deficiency(ies) were found in both their Financial Statements and Federal Awards sections. Three (3) were identified as repeated findings (**in red**).

**Leupp Schools Inc.** Audit Ending 2019 was “Unmodified” in their Financial Statements section and “Qualified” in their Federal Awards section of their audit. Material Weakness(es) were found in both their Financial Statements and Federal Awards sections. Significant Deficiency(ies) were found in their Federal Awards section of their audit.

**Leupp Schools Inc.** Audit Ending 2018 was “Unmodified” in their Financial Statements section and “Qualified” in their Federal Awards section of their audit. Material Weakness(es) were found in both their Financial Statements and Federal Awards sections. Significant Deficiency(ies) were found in their Federal Awards section of their audit. .

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](mailto:darrickfranklin@nndode.org). Thank you.

**LEUPP SCHOOLS, 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: 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:

CFDA Numbers

15.042

15.047

Name of Federal Program or Cluster

Indian School Equalization Program

Indian Education Facilities, Operations, and Maintenance

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**

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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

**Finding Number:** FS-2020-001

**Repeat Finding:** Yes, 2019-001

**Type of Finding:** Material Weakness

**Description:** Internal Controls over Financial Reporting and Accounting Records

CRITERIA

School management is responsible for establishing and maintaining internal controls over financial reporting, including general ledger controls that are adequate to ensure that a material misstatement would be prevented and/or detected. The School's systems of internal controls must extend beyond the general ledger and the supporting schedules prepared by the School; rather, it must also include controls over the GAAP basis financial statements.

CONDITION

The School's management did not have adequate internal control procedures in place over the financial statement reporting process using the basis of accounting required by generally accepted accounting principles (GAAP). A number of adjusting journal entries were identified during the audit of the financial statements. While the School's management has an understanding of Arizona statutes, general ledger controls, and compliance requirements, sufficient internal controls were not operating as designed to properly prevent a material misstatement in the fund financial statements.

CAUSE

The School experienced significant turnover and understaffing in the business office in prior years, and lack documented procedures for year-end closing.

EFFECT

The School's internal controls over financial reporting at the financial statement level were not operating as designed to ensure that a misstatement would be prevented and/or detected.

CONTEXT

During our review of the School's general ledger, we noted the following:

- The School improperly recorded insurance proceeds of \$137,137 as a negative expenditure.
- The School did not record \$89,718 of stop loss recoveries and \$105,107 of stop loss receivables in the Internal Service Fund.
- The School recorded a receivable and corresponding revenues backwards, totaling \$21,241.
- The School recorded a receivable and corresponding revenue for grant funds of \$95,000 that are not realizable.

The sample was not intended to be, and was not, a statistically valid sample.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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

**Finding Number:** FS-2020-001

RECOMMENDATION

The School should design and implement effective internal control procedures to ensure the financial statements are free from misstatements and consistent with School accounting policies.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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

**Finding Number:** FS-2020-002

**Repeat Finding:** No

**Type of Finding:** Material Weakness

**Description:** Internal Controls over Capital Assets

CRITERIA

School management is responsible for establishing and maintaining internal controls over capital assets that are adequate to ensure that all financial activities are properly processed and recorded in accordance with School policy and GAAP. Effective internal controls for capital assets include preparing complete and accurate capital asset schedules and reconciliations.

CONDITION

The School lacked adequate internal controls over its accounting of capital assets.

CAUSE

Effective internal controls were not in place that would adequately prevent or detect a material misstatement over capital assets. The School had turnover in key positions in prior fiscal years.

EFFECT

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

CONTEXT

During our review of capital assets, the following were noted:

- The School did not maintain the prior year capital asset listing, therefore a listing was produced from the prior year auditors.
- The School did not perform a reconciliation of current year capital asset additions to capital outlay expenditures.

The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

The School should develop and implement stronger internal controls over its accounting of capital assets to ensure that all financial activities are properly processed, recorded in the appropriate year, and supported. Additionally, the School should train individuals responsible for capital asset reporting.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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

**Finding Number:** FS-2020-003

**Repeat Finding:** No

**Type of Finding:** Significant Deficiency

**Description:** Internal Controls over Bank Reconciliations

CRITERIA

School management is responsible for establishing and maintaining internal controls over bank reconciliations to ensure that cash balances are reconciled to the bank statements monthly and on a timely basis, and that the financial activity of the School is accurate and complete.

CONDITION

The School did not perform timely and complete bank reconciliations throughout fiscal year 2020.

CAUSE

The School has experienced significant turnover during the prior year.

EFFECT

Without monthly reconciliations, errors in revenues, expenditures, and cash balances may not be detected and corrected in a timely manner.

CONTEXT

For several bank reconciliations completed throughout the year, the reconciliations were not performed timely. In addition, the School did not perform a bank reconciliation for the Student Activities bank account. The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

The School should ensure that cash balances are reconciled to the bank statements monthly and on a timely basis.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LEUPP SCHOOLS, 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:** No

**Program Name/CFDA Title:** Indian School Equalization Program

**CFDA Number:** 15.042

**Federal Agency:** U.S. Department of the Interior

**Federal Award Number:** A19AV00865

**Pass-Through Agency:** Bureau of Indian Affairs

**Questioned Costs:** N/A

**Type of Finding:** Noncompliance, Material Weakness

**Compliance Requirement:** 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 §§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 verbal quotes for purchases of at least \$3,000 but less than \$20,000, written quotes for purchases of at least \$20,000 but no more than \$50,000, and formal bid procedures for purchases over \$50,000. Additionally, the manual requires procurement records to be maintained for three years after the School or School's agents, subcontractors or obligors make the final payment and all other pending matters are closed. Finally, the Uniform Guidance requires employees to verify that the vendor, supplier, contractor, subcontractor, provider or their respective principals (e.g., owners, top management, etc.) with expenditures in excess of \$25,000 are not suspended, debarred or otherwise excluded by the Federal Government. The School should consult the Federal Excluded Parties List System (EPLS) before awarding funds and print the documentation to maintain in the contract file. This requirement is specified in 2 CFR §180.220.

CONDITION

The School did not follow its Board adopted Policies and Procedures Manual or federal regulations for purchases below the Simplified Acquisition threshold of \$150,000 in the administration of procurements.

CAUSE

Lack of knowledge, inadequate training, turnover of key positions, and inadequate record keeping.

EFFECT

The School was not in compliance with the Board adopted Policies and Procedures Manual. Additionally, the School was not compliant with 2 CFR §180.220 and as a result could have entered into a contract with a suspended or debarred party. However, it was determined that the vendors were not suspended or debarred.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2020-001

CONTEXT

During our review of procurement, the following were noted:

- For all three purchases in the School's formal bid range, the School did not perform a sealed bid or proposal.
- For one purchase in the School's written quote range, the School did not obtain or maintain quotes.
- For all four purchases in the School's oral quote range, the School did not obtain or maintain quotes.
- For one purchase noted as a sole source, the School did not maintain documentation that there was only one source and that the determination was reasonable.
- For all three covered transactions reviewed, the School did not perform the suspension and debarment check.

The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

The School should adhere to their Board adopted Policies and Procedures Manual and the Suspension and Debarment requirements under 2 CFR §180.220.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2020-002

**Repeat Finding:** Yes, 2019-007

<u>Program Names/CFDA Titles:</u>	<u>CFDA Numbers:</u>	<u>Federal Award Numbers:</u>	<u>Questioned Costs:</u>
Indian School Equalization Program	15.042	A19AV00865	N/A
Indian Education Facilities, Operation, and Maintenance	15.047	A19AV00865	N/A

**Federal Agency:** U.S. Department of the Interior  
**Pass-Through Agency:** Bureau of Indian Affairs  
**Type of Findings:** Noncompliance, Significant Deficiency  
**Compliance Requirements:** Reporting

CRITERIA

The School is required to file the Federal Financial Report, SF-425. Quarterly and semi-annual reports are required to be submitted no later than 30 days after 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.

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.

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

During our review of the School's SF-425 reports, we noted the following:

- The first quarter SF-425 report was not submitted timely.
- The fourth quarter SF-425 report included \$6,829 of non-federal revenues.

The sample was not intended to be, and was not, a statistically valid sample.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2020-002

RECOMMENDATION

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

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2020-003

**Repeat Finding:** Yes, 2019-005

**Program Name/CFDA Title:** Indian School Equalization Program

**CFDA Number:** 15.042

**Federal Agency:** U.S. Department of the Interior

**Federal Award Number:** A19AV00865

**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 §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 investigation should be reinvestigated every five years. The Act further states that the School may employ individuals in those positions only if the individuals meet 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 and timely character investigations for all employees. In addition, the School did not have adequate character investigations on file for all employees.

CAUSE

School policies were not always followed or controls were not in place to ensure timely character investigations are performed and all adequate documentation is maintained and turnover in key positions.

EFFECT

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

CONTEXT

During our review of the School's character investigations, the following were noted:

- For two of nine employee files reviewed, the employee file did not have a complete federal background check on file, therefore it could not be determined whether the character investigation was completed timely and was still valid.
- For two of nine employee files reviewed, the character investigations were not performed timely.

**LEUPP SCHOOLS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2020-003

- For one of nine employee files reviewed, the employee file's background investigation had expired and a current investigation was not on file.

The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

The School should ensure adequate character investigations are performed and documentation is maintained 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.



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928-686-6211  
928-686-6216 fax  
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*Roberta Gorman, President*  
*Vernice Wagner, Vice-President*  
*Rena Edwards, Secretary*  
*Calvin Johnson, Member*  
*Emma Yazzie, Principal*

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March 31, 2021

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,

Emma Yazzie  
Principal

**LEUPP SCHOOLS, INC.  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2020**

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

Finding Number: FS-2020-001, 2019-001

Contact Persons: Emma Yazzie, Principal and Marilyn Reddye, Business Technician

Anticipated Completion Date: June 2021

Planned Corrective Action: The School will implement the following actions. 1) The School will properly record as income and not as an expense; 2) Internal Service will include stop loss recoveries and receivables in the future; 3) A better review of the receivables and revenues will be established in the future; and 4) Accurate recordings of receivables will be monitored in the future with proper documentations.

Finding Number: FS-2020-002

Contact Persons: Reuben Holgate, Facility Manager, Emma Yazzie, Principal, and Marilyn Reddye, Business Technician

Anticipated Completion Date: June 2021

Planned Corrective Action: The School will implement the following actions. 1) The School will develop and implement stronger internal control over its accounting of capital assets to ensure that all financial activities are properly processed, recorded in the appropriate year, and supported. Additionally, the School will train individuals responsible for capital asset reporting; and 2) the capital asset listing is updated and will remain updated.

Finding Number: FS-2020-003

Contact Persons: Emma Yazzie, Principal and Marilyn Reddye, Business Technician

Anticipated Completion Date: June 2021

Planned Corrective Action: The School has already ensured that cash balances are reconciled to the bank statements monthly and on a timely basis

**Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2020-001

Program Name/CFDA Title: Indian School Equalization Program

CFDA Number: 15.042

Contact Persons: Emma Yazzie, Principal and Marilyn Reddye, Business Technician

Anticipated Completion Date: June 2021

Planned Corrective Action: The School will adhere to the Board adopted Policies and Procedures Manual and the Suspension and Debarment requirements under 2 CFR §180.220.

**LEUPP SCHOOLS, INC.  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2020**

**Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2020-002, 2019-007

Program Name/CFDA Titles: Indian School Equalization Program, Indian Education Facilities, Operation, and Maintenance

CFDA Numbers: 15.042, 15.047

Contact Persons: Emma Yazzie, Principal and Marilyn Reddye, Business Technician

Anticipated Completion Date: June 2021

Planned Corrective Action: The School has implemented standard procedures for the creation and submission of accurate reports on a timely basis.

Finding Number: 2020-003, 2019-005

Program Name/CFDA Title: Indian School Equalization Program

CFDA Number: 15.042

Contact Persons: Janet Lamson, Human Resource and Emma Yazzie, Principal

Anticipated Completion Date: June 2021

Planned Corrective Action: The School will implement the following actions. 1) The School will ensure adequate character investigations are performed and documentation is maintained in a timely manner to achieve full compliance with the School's policies and the Indian Child Protection and Family Violence Prevention Act; 2) A check list has been created and is implemented and is in process; 3) The expired background checks has been corrected and is adjudicated and completed; and 4) The Re-Investigations Background Clearance is in process for all staff to meet the School's policies for the Indian Child Protection and Family Violence Prevention Act.

**LEUPP SCHOOLS, 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 Number: 2019-001, 2018-001

Status: Partially corrected. See finding FS-2020-001.

Planned Corrective Action: The School will implement the following actions. 1) The School will properly record as income and not as an expense; 2) Internal Service will include stop loss recoveries and receivables in the future; 3) A better review of the receivables and revenues will be established in the future; and 4) Accurate recordings of receivables will be monitored in the future with proper documentations. The School was still in the process of implementing the prior year corrective action plan during the current year audit.

Finding Number: 2019-002

Status: Fully corrected.

Finding Number: 2019-003

Status: Fully corrected.

**Status of Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2019-004

Program Name/CFDA Title: Indian School Equalization Program, Indian Education Facilities,  
Operations and Maintenance

CFDA Number: 15.042, 15.047

Status: Fully corrected.

Finding Number: 2019-005, 2018-004

Program Name/CFDA Title: Indian School Equalization Program, Indian Education Facilities,  
Operations and Maintenance

CFDA Number: 15.042, 15.047

Status: Partially corrected. See finding 2020-003

Planned Corrective Action: The School will implement the following actions. 1) The School will ensure adequate character investigations are performed and documentation is maintained in a timely manner to achieve full compliance with the School's policies and the Indian Child Protection and Family Violence Prevention Act; 2) A check list has been created and is implemented and is in process; 3) The expired background checks has been corrected and is adjudicated and completed; and 4) The Re-Investigations Background Clearance is in process for all staff to meet the School's policies for the Indian Child Protection and Family Violence Prevention Act. The School was still in the process of implementing the prior year corrective action plan during the current year audit.

**LEUPP SCHOOLS, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2020**

**Status of Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2019-006

Program Name/CFDA Title: Indian School Equalization Program, Indian Education Facilities, Operations and Maintenance

CFDA Number: 15.042, 15.047

Status: Fully corrected.

Finding Number: 2019-007, 2018-006

Program Name/CFDA Title: Indian School Equalization Program, Indian Education Facilities, Operations and Maintenance

CFDA Number: 15.042, 15.047

Status: Partially corrected. See finding 2020-002.

Planned Corrective Action: The School has implemented standard procedures for the creation and submission of accurate reports on a timely basis. The School was still in the process of implementing the prior year corrective action plan during the current year audit.

Finding Number: 2019-008

Program Name/CFDA Title: Indian Education Facilities, Operations and Maintenance

CFDA Number: 15.047

Status: Not corrected. The Compliance Requirement was not applicable to the Program in the current year.

Planned Corrective Action: The School will adhere to the Board adopted Policies and Procedures Manual and the Suspension and Debarment requirements under 2 CFR §180.220. The School was still in the process of implementing the prior year corrective action plan during the current year audit.



**DEPARTMENT OF DINÉ EDUCATION  
THE NAVAJO NATION**

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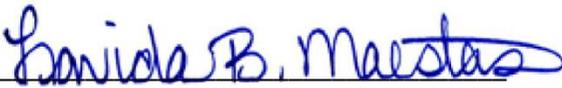


Jonathan Nez  
President

Myron Lizer  
Vice-President

**MEMORANDUM**

**TO:** Members, Navajo Nation Board of Education

**FROM:**   
Lavidia B. Maestas, Senior Education Specialist  
Office of Diné Accountability & Compliance

**DATE:** June 5, 2020

**RE:** **Reauthorization Report and Recommendation – Leupp Schools, Inc.**

The Leupp Schools, Inc. application contents meets the requirements and is non-compliant with the financial and audit requirements contained in HEHSCMY-012-12, warranting “one (1) year or less reauthorization.” The Leupp Schools, Inc.’s annual audit is reported as:

- Annual Financial Statements for year ending June 30, 2019 is reported as Unmodified with material weakness(es) and significant deficiencies identified; and the Federal Awards issued as Qualified with material weakness(es) and significant deficiencies identified. Audit findings disclosed includes eight (8) Financial Statement and Federal Award Findings and Questioned Costs which are:
  1. 2019-001 – Trial Balance Maintenance and Reconciliations (Repeat of Finding 2018-001) (Material Weakness)
  2. 2019-002 – Segregation of Duties (Repeat of Finding 2018-002) (Material Weakness)
  3. 2019-003 – Accounts Payable Cutoff Procedures (Material Weakness)
  4. 2019-004 – General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant Advances – (Repeat of Finding 2018-003) (Material Weakness and Non-Compliant)
  5. 2019-005 - Special Tests and Provisions – Character Investigations – Background Check – (Repeat of Finding 2018-004) (Significant Deficiency and Non-Compliant)
  6. 2019-006 – Equipment and Real Property Management – (Repeat of Finding 2018-005) (Significant Deficiency and Non-Compliant)
  7. 2019-007 – Reporting – Grants Financial Reports – (Repeat of Finding 2018-006) (Significant Deficiency and Non-Compliant)
  8. 2019-008 – Procurement – (Significant Deficiency and Non-Compliant)
- Annual Financial Statements for year ending June 30, 2018 is reported as Unmodified with material weakness(es) identified; and the Federal Awards issued as Qualified with material weakness(es) and

**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*

significant deficiencies identified. Audit findings disclosed includes eight (8) Financial Statement and Federal Award Findings and Questioned Costs which are:

1. 2018-001 – Trial Balance Maintenance and Reconciliations (Repeat of Finding) (Material Weakness)
  2. 2018-002 – Segregation of Duties (Material Weakness)
  3. 2018-003 – General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant advances – (Material Weakness and Non-Compliant)
  4. 2018-004 – Special Tests and Provisions – Character Investigations – Background Check – (Significant Deficiency and Non-Compliant)
  5. 2018-005 – Equipment and Real Property Management – (Significant Deficiency and Non-Compliant)
  6. 2018-006 – Reporting – Grants Financial Reports (Significant Deficiency and Non-Compliant)
  7. 2018-007 – Allowable Travel Costs – (Significant Deficiency and Non-Compliant)
  8. 2018-008 – Single Audit Submission – (Material Weakness and Non-Compliant)
- Annual Financial Statements for year ending June 30, 2017 is reported as Unmodified with material weakness(es) and significant deficiencies identified; and the Federal Awards issued as Qualified with material weakness(es) and significant deficiencies identified. Audit findings disclosed includes four (4) Financial Statement and Federal Award Findings and Questioned Costs which are:
    1. 2017-001 – Trial Balance Maintenance and Reconciliations (Repeat of Finding) (Material Weakness)
    2. 2017-002 – General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant Advances – (Material Weakness and Non-Compliant)
    3. 2017-003 – Special Tests and Provisions – Character Investigations – Background Check – (Significant Deficiency and Non-Compliant)
    4. 2017-004 – Equipment and Real Property Management – (Significant Deficiency and Non-Compliant)
  - Annual Financial Statements for year ending June 30, 2016 is reported as Unmodified with material weakness(es) and significant deficiencies identified; and the Federal Awards issued as Qualified with material weakness(es) and significant deficiencies identified. Audit findings disclosed includes seven (7) Financial Statement and Federal Award Findings and Questioned Costs which are:
    1. 2016-001 – Trial Balance Maintenance and Reconciliations (Repeat of Finding) (Material Weakness)
    2. 2016-002 – Budgeting and Recording of Expenditures - (Material Weakness)
    3. 2016-003 – Single Audit Submission – (Material Weakness and Non-Compliant)
    4. 2016-004 - General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant advances – (Material Weakness and Non-Compliant)
    5. 2016-005 – Allowable Costs and Cost Principles – Disbursements – (Material Weakness and Non-Compliant)
    6. 2016-006 – Reporting – (Material Weakness and Non-Compliant)
    7. 2016-007 – Equipment and Real Property Management – (Significant Deficiency and Non-Compliant)

- REDW provided auditing services for the four (4) years identified. Since the school has retained their services for four (4) consecutive years, the school is scheduled to solicit another auditor for year ending June 30, 2020 per the *Grant/Contract Conversion/Maintenance Handbook (Feb. 2000)*.

If you have any questions or concerns, please do not hesitate to contact me at (928) 871-7466 or [lavidamaestas@nndode.org](mailto:lavidamaestas@nndode.org). Thank you.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

**Section I — Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	None reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	Yes

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

<u>Name of Federal Program or Cluster</u>	<u>Type of Opinion</u>
Indian School Equalization Program	Qualified
Indian Education Facilities, Operations and Maintenance	Qualified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.156(a)?	Yes
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**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section I — Summary of Auditor’s Results — continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.042	Indian School Equalization Program
15.047	Indian Education Facilities, Operations and Maintenance

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

Auditee qualified as low-risk auditee? No

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

**Section II — Financial Statement Findings**

**2019-001 — Trial Balance Maintenance and Reconciliations (Repeat of Finding 2018-001)  
(Material Weakness)**

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*Criteria:* Monthly maintenance of the trial balance and preparation of financial statements in accordance with generally accepted accounting principles (GAAP) ensures that timely, accurate and useful information is available to management and those charged with governance.

*Condition:* Significant adjusting journal entries were required after the School year-end to record transactions and reconcile cash, prepaid expenses, capital assets, accrued liabilities, accounts payable, and fund balance for the grants fund, and claims liability, premium revenue and claims related expenses for internal service fund.

*Cause:* Turnover in personnel in the Business Office contributed to accounting records not being maintained. Additionally, internal control procedures are not in place to ensure that transactions and balances are being fully analyzed and reconciled timely.

*Effect:* Without identifying, fully analyzing and recording transactions, information provided to management may not be accurate and the probability of errors occurring and going undetected is greatly increased. Additionally, the Business Office and accounting consultants are overburdened with year-end account analysis, potentially resulting in a time-consuming and costly process.

*Auditor's Recommendations:* Implement internal control procedures to ensure that all significant general ledger account balances are reconciled to supporting accounting records or subsidiary accounting ledgers monthly. Implement internal control procedures to identify all accounting transactions and ensure the transactions are properly analyzed and recorded in the appropriate fund and general ledger accounts. Finally, implement a month-end management review process of all reconciliations, all adjusting journal entries, all subsidiary accounting ledgers, the financial statements and the budget to actual comparisons for each grant.

*Management's Response:* Management agrees with the Auditor's recommendations. In the absence of a current Business Manager, the school has acquired services from Homeland Business Services to assist with trial balance maintenances, reconciliations and other financial reviews.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section II — Financial Statement Findings — continued

**2019-002 — Segregation of Duties (Repeat of Finding 2018-002) (Material Weakness)**

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*Criteria:* A fundamental concept in a good system of internal control is a proper segregation of duties. Without adequate segregation of duties, the risk of an error or fraud occurring and going undetected increases. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. In situations where segregation of duties is not feasible, a higher level of management oversight is appropriate.

*Condition:* The payroll clerk enters employee information into the payroll system, processed payroll checks and recorded the transaction in the general ledger. The accounts payable clerk had access to create new vendors in the vendor management module of the system, records vendor invoices, issues accounts payable checks, receive cash, and deliver deposits to the bank. Finally, the accounting consultant prepares correcting journal entries and reconciliations that are not independently reviewed.

*Cause:* The School has a limited number of accounting and administrative staff, which makes it impractical to fully segregate incompatible duties. Additionally, the Business Office Manager position became vacant during the year and a higher level of management oversight of the accounting records was not performed.

*Effect:* The lack of segregation of incompatible duties and lack of management oversight increases the possibility that errors and improper activities would not be detected.

*Auditor's Recommendations:* Due to the small size of the School, the cost of segregating all accounting related duties may be greater than the benefit. We recommend the following internal control procedures to mitigate the weakness resulting from unsegregated duties.

A knowledgeable member of management that is not involved in the preparation of the accounting records should carefully and critically review all proposed adjusting journal entries and significant transactions for appropriateness and accuracy. This person should also scan transactions posted to the general ledger each month with the objective of identifying and investigating of unusual postings. Additionally, implement a month-end management review of the cash receipts ledger, accounts payable ledger, payroll ledgers, bank reconciliations, and bank statements. Monthly financial statements should be prepared for each fund or grant program and these financial statements should be compared to budgeted amounts or expectations.

*Management's Response:* Management agrees with the Auditor's recommendations. Until such time a Business Office Manager is hired, the School has secured services of an accounting consultant to assist with the segregation of duties.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section II — Financial Statement Findings — continued

**2019-003 — Accounts Payable Cutoff Procedures (Material Weakness)**

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*Criteria:* A fundamental objective of recording accounts payable transactions is to recognize amounts owed to vendors and the related expenditures for services received in the appropriate accounting period. Expenditures generally are recorded when a liability is incurred regardless of when the payments are made.

*Condition:* Invoices are recorded in the period the invoices were received and not in the period in which the goods or services were received.

*Cause:* The accounting staff has not received sufficient training to understand how to enter vendor invoices to ensure the expenditure and liability are recorded in the appropriate accounting period.

*Effect:* Significant adjustments were needed to correct the accounts payable balance and record expenditures in the correct accounting period. The entries needed also included a correction of prior year expenditures and accounts payable liability that resulted in a prior period adjustment to the School's governmental activity and grants fund previously reported net position and fund balance. Additionally, the Business Office and accounting consultants are overburdened with analyzing invoices paid subsequent to year-end and making correcting journal entry, potentially resulting in a time-consuming and costly process.

*Auditor's Recommendations:* Business Office staff should obtain the appropriate training on how to use the accounts payable module in order to correctly capture expenditures and vendor liabilities in the appropriate accounting period. Additionally, year-end accounts payable procedures should include an analysis of all invoices received after year-end to identify the invoices for goods and services received prior to year-end.

*Management's Response:* Management agrees with the Auditor's recommendations. Invoices will be recorded in the appropriate accounting period that the invoices are received and not in the period in which the goods or services are received.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

**Section III — Federal Award Findings and Questioned Costs**

**2019-004 — General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant Advances – (Repeat of Finding 2018-003) (Material Weakness and Noncompliance)**

---

*Federal program information:*

Funding agency:	U.S. Department of the Interior
Title:	Indian School Equalization Program
CFDA number:	15.042
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

Funding agency:	U.S. Department of the Interior
Title:	Indian Education Facilities, Operations and Maintenance
CFDA number:	15.047
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

*Criteria:* In accordance with general uniform administrative requirements, grantees are to maintain cash balances of any received but unspent grant and contract funds and such funds are to be available to be expended in accordance with the applicable grant and contract provisions.

*Condition:* As of June 30, 2019, the School's total cash balances in the general fund and grants fund that are available for grant and contract programs totaled \$1,955,906, which is \$1,340,448 less than the School's overall grant and contract unspent advances (grant carryforward or restricted fund balance) of \$3,296,354.

Of the School's total unspent advances of \$3,296,354, advances of \$950,111 relates to the Indian School Equalization program, \$266,793 relates to the Indian Education Facilities, Operations and Maintenance program, \$1,014,857 relates to the Special Education – Grants to States program, \$470,736 relates to the Indian Schools – School Transportation program, \$194,874 related to the Indian School and Family Education program, \$196,428 relates to the Title I Grants to Local Educational Agency program, \$122,614 relates to the Improving Teacher Quality State Grants program, \$42,894 relates to the Education Enhancements program, \$30,709 relates to Administrative Cost Grants for Indian Schools program, \$1,870 relates to the Grants for State Assessments and Related Activities program, \$1,287 related to the Rural Education program, \$2,728 related to the Cooperative Agreement to Support Comprehensive School Health program, \$370 relates to the Indian Education – Grants to Local Education Agencies VII program, and \$83 relates to the School Lunch Program.

*Questioned Costs:* None.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

2019-004 — General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant Advances – (Repeat of Finding 2018-003) (Material Weakness and Noncompliance) — continued

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*Context:* At June 30, 2019, the School’s unspent advances total \$3,296,354, the cash balances available for grant and contract programs totaled \$1,955,906, and the shortage of amounts associated with all programs that were advanced funded was \$1,340,448.

*Cause and Effect:* Changes made to the accounting system over the years resulted in inaccurate calculations of fund balance or grant carryforward amounts. The accounting system uses function and subsection codes to account for specific grant award amounts. As a result, the School was not aware of the unspent advance amounts and overspent certain grant awards. To fund these overspent grant awards, the School used the cash from other advance funded grant awards.

*Auditor’s Recommendations:* The School should identify unrestricted funding sources that will enable the School to replenish the cash shortfalls. A schedule of the shortfalls should be maintained and reviewed periodically. Each grant award program and the general fund should be reconciled and budgets monitored to ensure programs are not overspent.

*Management’s Response:* Management agrees with the Auditor’s recommendation. The School will look for additional funds to cover the cash shortfall. Raising additional funds to cover the cash shortfall will be a long process. However, the budgets will be monitored each school year to ensure programs spending is within budgeted amounts.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

**2019-005 — Special Tests and Provisions – Character Investigations – (Repeat of Finding 2018-004) (Significant Deficiency and Noncompliance)**

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*Federal program information:*

Funding agency:	U.S. Department of the Interior
Title:	Indian School Equalization Program
CFDA number:	15.042
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

Funding agency:	U.S. Department of the Interior
Title:	Indian Education Facilities, Operations and Maintenance
CFDA number:	15.047
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

*Criteria:* The Indian Child Protection and Family Violence Prevention Act (Act) (25 USC section 3201 et seq.) requires Indian tribes and tribal organizations that receive funds under the ISDEAA or the Tribally Controlled Schools Act to conduct an investigation of the character of each individual who is employed or is being considered for employment by such Indian tribe or tribal organization in a position that involves regular contact with, or control over, Indian children.

*Condition:* The form used to document the suitability determination conducted by an appropriate adjudicating official was not completed. Background investigations were not performed.

*Questioned Costs:* None.

*Context:* Seven of the nine employee files selected for testing did not contain documents evidencing that a suitability determination was conducted by an appropriate adjudicating official. One of the nine employee files selected for testing did not contain evidence that a background had been performed covering the past five years of the individual's employment or education. Two of nine files selected for testing contained background investigation evidence that did not meet the minimum standards of character prescribed under the Act. One of nine employees files selected for testing did not contain evidence that fingerprint charts were performed.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

2019-005 — Special Tests and Provisions – Character Investigations – (Repeat of Finding 2018-004) (Significant Deficiency and Noncompliance) — continued

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*Questioned Costs:* None.

*Cause:* Policies and procedures were not followed ensuring that the character investigations or criminal record checks were obtained and properly approved by an adjudicating official prior to the hiring employees who are subject to this requirement.

*Effect:* The programs were not in compliance with applicable federal requirements.

*Auditor's Recommendation:* Ensure that federal, state, and tribal character investigations are completed for all employees subject to these requirements, results are adjudicated, and documentary evidence of the completed and adjudicated investigations are maintained.

*Management's Response:* Management agrees with the Auditor's recommendations. A Human Resource Manager was hired with all required credentials. The School will be working with the Navajo Nation and BIE to obtain character investigations or criminal record checks, and to perform the adjudication functions.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

**2019-006 — Equipment and Real Property Management – (Repeat of Finding 2018-005)**  
**(Significant Deficiency and Noncompliance)**

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*Federal program information:*

Funding agency:	U.S. Department of the Interior
Title:	Indian School Equalization Program
CFDA number:	15.042
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019
Funding agency:	U.S. Department of the Interior
Title:	Indian Education Facilities, Operations and Maintenance
CFDA number:	15.047
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

*Criteria:* Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, requires that equipment be used in federal programs for which it was acquired or, when appropriate, other federal programs. Equipment records shall be maintained, a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained.

*Condition:* The School hired a consulting group to perform a physical inventory of equipment. However, the School could not demonstrate that the recent physical inventory of equipment was reconciled to the equipment records.

*Questioned Costs:* None.

*Context:* The School could not demonstrate that the recent physical inventory of equipment was reconciled to the equipment records.

*Cause and Effect:* Internal controls over equipment have not been implemented to safeguard equipment in accordance with required regulations. As a result, the School does not have sufficient internal control over equipment purchased with federal awards to ensure assets acquired, used and disposed are in compliance with federal requirements.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

2019-006 — Equipment and Real Property Management – (Repeat of Finding 2018-005)  
(Significant Deficiency and Noncompliance) — continued

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*Auditor's Recommendations:* The School should establish policies and procedures to ensure equipment records are updated each time an asset is purchased, that the listing includes the funding source, the location or department using the equipment, and the assets are assigned an asset number and a tag is placed on each asset. Additionally, the policies and procedures should ensure that the physical inventory of the equipment is reconciled to the equipment records.

*Management's Response:* Management agrees with the Auditor's recommendation. The school will follow existing management of equipment and real property policies and procedures.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

**2019-007 — Reporting – Grants Financial Reports – (Repeat of Finding 2018-006)**  
**(Significant Deficiency and Noncompliance)**

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*Federal program information:*

Funding agency:	U.S. Department of the Interior
Title:	Indian School Equalization Program
CFDA number:	15.042
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019
Funding agency:	U.S. Department of the Interior
Title:	Indian Education Facilities, Operations and Maintenance
CFDA number:	15.047
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

*Criteria:* Title 2 CFR 200.327 requires programs to submit financial information to the funding agency using standard financial reporting forms. These reports are to be submitted by the required due date and be accurately completed and supported by the underlying accounting records.

*Condition:* Reported financial information did not agree to the expenditures and cash receipts recorded in the accounting system and reports were submitted after the required due dates.

*Questioned Costs:* None.

*Context:* Combined financial reporting are submitted for the grant programs funded through the Bureau of Indian Education. Two of two quarterly SF-425 reports selected for testing contained financial amounts that were not in agreement with the accounting records.

*Cause:* The School experienced a change in Business Office personnel during school year. The personnel employed during the school year were not familiar with the general ledger accounting software. Additionally, the School changed accounting software during the prior school year. Balances and activity from the prior year's accounting records were not transferred or recorded in the new general ledger accounting system.

*Effect:* Amounts reported to the granting agency were not supported by the accounting records. Additionally, internal controls were not in place to ensure compliance with the applicable reporting requirements.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

2019-007 — Reporting – Grants Financial Reports – (Repeat of Finding 2018-006) (Significant Deficiency and Noncompliance) — continued

---

*Auditor's Recommendation:* Accounting records should be reconciled monthly and the SF-425 reports should be supported by the reconciled general ledger reports. Prior to submitting the reports, management should review the reports to verify their accuracy. Implement and enforce internal control policies to ensure reports are accurate and submitted by the required due dates.

*Management's Response:* Management agrees with the Auditor's recommendations. Management is actively attempting to hire a Business Office Manager. In the absence of a current Business Office Manager, the School has acquired services of an accounting consultant to assist with trial balance maintenance, reconciliations and other financial reviews. SF-425 reports will be supported by reconciled general ledger reports and submitted timely.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

**2019-008 — Procurement – (Significant Deficiency and Noncompliance)**

---

*Federal program information:*

Funding agency:	U.S. Department of the Interior
Title:	Indian Education Facilities, Operations and Maintenance
CFDA number:	15.047
Award year number	A18AV00646
Award period:	7/1/2018 – 6/30/2019

*Criteria:* Requirements for procurement are contained in 2 CFR Sections 200.318 through 200.326, federal awarding agency regulations, and the terms of the federal award. Local governments and Indian tribal governments may use their own procurement procedures provided that they conform to applicable federal laws and regulations and the standards identified in 2 CFR sections 200.318 through 200.326. Procurement transactions should be conducted in a manner providing full and open competition in accordance with School’s procurement policy. The School’s procurement policy includes procedures for procurement where purchases over \$50,000 must be preceded by public advertisement and a formal bid process.

*Condition:* The School could not demonstrate that requests for purchases of equipment in excess of \$50,000 were advertised or that formal bids were obtained prior to completing the purchase.

*Questioned Costs:* None.

*Context:* Two of three transactions selected for testing were not supported by documentary evidence that the request for purchases were advertised and competitive bids were obtained prior to making these purchases.

*Cause:* The School’s procurement policy was not followed for purchases in excess of \$50,000.

*Effect:* As a result, the School did not provide for full and open competition as allowed by the School’s procurement policy.

*Auditor’s Recommendations:* The School’s procurement policy should be strictly enforced. The School should conduct all major procurement transactions by providing full and open competition, to the extent necessary, to ensure efficient expenditure of federal funds.

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2019**

Section III — Federal Award Findings and Questioned Costs — continued

2019-008 — Procurement – (Significant Deficiency and Noncompliance)— continued

---

*Management's Response:* Management agrees with the Auditor's recommendations. The School will conduct all major procurement transactions by providing full and open competition to ensure efficient expenditure of Federal Funds to enforce current Procurement Policies and Procedures.



LEUPP SCHOOLS INC.  
HC 61 Box D  
Winslow, AZ 86047  
928-686-6211  
928-686-6216 fax  
[www.leuppschools.org](http://www.leuppschools.org)

*Calvin Johnson, President*  
*Vernice Wagner, Vice-President*  
*Rena Edwards, Secretary*  
*Roberta Gorman, Member*  
*Emma Yazzie, Principal*

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**Leupp Schools, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2019**

***Finding Number: 2015-001, 2016-001, 2017-001, 2018-001 – Trial Balance Maintenance and Reconciliations***

*Status:* Uncorrected. See Finding **2019-001**

*Condition:* Significant adjusting journal entries were required after the School year-end to record transactions and reconcile cash, prepaid expenses, capital assets, accrued liabilities, accounts payable, and fund balance for the grants fund, and claims liability, premium revenue and claims related expenses for internal service fund.

*Corrective Action:* In the absence of a current Business Manager, the School has acquired the services from an accounting consultant to assist with trail balance maintenance, reconciliations and other financial reviews.

***Finding Number: 2018-002 – Segregation of Duties***

*Status:* Uncorrected. See Finding **2019-002**

*Condition:* The Business Office Manager recorded the transaction in the general ledger, entered employee information into the payroll system, processed payroll checks, receiving cash, delivered deposits to the bank, and reconciled the cash account to bank statements. Accounts payable clerk had access to create new vendors in the vendor management module of the system.

*Corrective Action:* Until such time a Business Office Manager is hired, the School has secured services of an accounting consultant to assist with the segregation of duties.

***Finding Number: 2015-005, 2016-004, 2017-002, 2018-003 – General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant Advances***

*Status:* Uncorrected. See Finding **2019-004**

*Condition:* The School overspent certain grant awards and to fund these overspent grant awards, the School used the cash from other advance funded grant awards.

*Corrective Action:* The School will look for additional funds to cover the cash shortfall. Raising additional funds to cover the cash shortfall will be a long process. However, the budgets will be monitored each school year to ensure programs spending is within budgeted amounts.



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---

**Leupp Schools, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2019**

***Finding Number: 2017-003, 2018-004 – Character Investigations***

*Status:* Uncorrected. See Finding **2019-005**

*Condition:* Records did not contain documents evidencing that a suitability determination was conducted by an appropriate adjudicating official.

*Corrective Action:* The School is working with the Navajo Nation to obtain character investigations or criminal record checks, and to perform the adjudication function.

***Finding Number: 2017-004, 2018-005 – Equipment and Real Property Management***

*Status:* Uncorrected. See Finding **2019-006**

*Condition:* The School could not demonstrate that the recent physical inventory of equipment was reconciled to the equipment records.

*Corrective Action:* The school will follow existing management of equipment and real property policies and procedures.

***Finding Number: 2018-006 – Reporting – Grants Financial Reports***

*Status:* Uncorrected. See Finding **2019-007**

*Condition:* Reported financial information did not agree to the expenditures and cash receipts recorded in the accounting system and reports were submitted after the required due dates.

*Corrective Action:* Management is actively attempting to hire a Business Office Manager. In the absence of a current Business Office Manager, the School has acquired services an accounting consultant to assist with trail balance maintenance, reconciliations and other financial reviews. SF-425 reports will be supported by reconciled general ledger reports and submitted timely.



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---

**Leupp Schools, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2019**

***Finding Number: 2018-007 – Allowable Travel Costs***

*Status: Corrected*

*Condition: The travel costs selected for testing in the current year complied with the School's travel policy.*

*Corrective Action: The School strictly enforced the policies and procedures.*

***Finding Number: 2018-008 – Single Audit Submission***

*Status: Corrected*

*Condition: The School's fiscal year 2019 single audit reporting package was submitted by the required due date, including the 6-month extension allowed through this issuance of the Office of Management and Budget's Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19).*

*Corrective Action: The School's fiscal year 2019 single audit reporting package was submitted by the required due date, including the 6-month extension allowed through this issuance of the Office of Management and Budget's Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19).*



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**Leupp Schools, Inc.**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2019**

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
2019-001 – Trial Balance Maintenance and Reconciliations	In the absence of a current Business Manager, the School has acquired the services from Homeland Business Services to assist with trail balance maintenance, reconciliations and other financial reviews.	Emma Yazzie, Principal and Marilyn Reddye, Acting Business Manager	June 2020
2019-002 – Segregation of Duties	Until such time a Business Manager is hired, we have secured the services of an accounting consultant to assist with the segregation of duties.	Emma Yazzie, Principal and Marilyn Reddye, Acting Business Manager	June 2020
2019-003 – Accounts Payable Cutoff Procedures	Invoices will be recorded in the appropriate accounting period that the invoices are received and not in the period in which the goods or services are received.	Emma Yazzie, Principal and Marilyn Reddye, Acting Business Manager	June 2020
2019-004 – General Uniform Administrative Requirements – Maintenance of Cash Balances Related to Unspent Grant Advances	The School will look for additional funds to cover the cash shortfall. Raising additional funds to cover the cash shortfall will be a long process. However, the budgets will be monitored each school year to ensure programs spending is within budgeted amounts.	Emma Yazzie, Principal and Marilyn Reddye, Acting Business Manager	June 2020



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**Leupp Schools, Inc.**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2019**

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
2019-005 – Special Tests and Provisions – Character Investigations	A Human Resource Manager was hired with all required credentials. The School will be working with the Navajo Nation and BIE to obtain character investigations or criminal record checks, and to perform the adjudication functions.	Janet Lamson, Human Resource Manager and Emma Yazzie, Principal	June 2020
2019-006 – Equipment and Real Property Management	The school will follow existing management of equipment and real property Policies and Procedures.	Reuben Holgate, Facilities Manager, Maryann Benally, Facilities Secretary, Emma Yazzie, Principal and Marilyn Reddy, Acting Business Manager	June 2020



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**Leupp Schools, Inc.**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2019**

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
2019-007 – Reporting – Grants Financial Reports	Management is actively attempting to hire a Business Office Manager. In the absence of a current Business Office Manager, the School has acquired services of an accounting consultant to assist with trial balance maintenance, reconciliations and other financial reviews. SF-425 reports will be supported by reconciled general ledger reports and submitted timely.	Emma Yazzie, Principal and Marilyn Reddye, Acting Business Manager	June 2020
2019-008 – Procurement	The School will conduct all major procurement transactions by providing full and open competition to ensure efficient expenditure of Federal Funds to enforce current Procurement Policies and Procedures.	Emma Yazzie, Principal and Marilyn Reddye, Acting Business Manager	June 2020

## School Year 2018-2019 Reporting & Due Dates for Grant Schools

<b>Due Dates:</b>	<b>July 1, 2018</b>	<b>July 30, 2018</b>	<b>September 30, 2018</b>	<b>October 2018</b>	<b>October 30, 2018</b>	<b>November 30, 2018</b>	<b>December 2018</b>	<b>December 30, 2018</b>	<b>January 31, 2019</b>	<b>March 31, 2019</b>	<b>April 30, 2019</b>	<b>June 30, 2019</b>
<b>Items to Complete:</b>	SY 2018/19 Initial Grant Documents & 80% Funds Released	SF-425 Due (Quarter 04 Final for SY 2017/18) Ending 06/30/2018	Report for Annual Ending School Year 2017/18	Grant Sch. & Residential Background Investigation Reviews	SF-425 Due (Quarter 01 for SY 2018/19) Ending September 30, 2018	Annual Work Plan (Operations & Maintenance) Due (Optional) N/A Now using MAXIMO Work with Agency Facilities Manager to complete this.	Remaining 20% of Funds Released	Annual Report for Facilities Management O & M Due Ending 09/30/2018	SF-425 Due (Quarter 02 for SY 2018/19) Ending December 31, 2018	A-133 Single Audits Due for Ending June 30, 2018	SF-425 Due (Quarter 03 for SY 2018/19) Ending March 31, 2019	Year End Close Out Preparati on of Single Audits & Annual Reports
<b>Grant School Name:</b>												
<b>Leupp Schools, Inc.</b>	Completed	Completed	Completed	Completed	Completed	Completed	In Process	Completed	Completed	Delinquent		

**Leupp Schools, Inc.**  
**Reauthorization Summary (2018)**

**Audit:**

- **Audit ending June 30, 2016:**  
Unmodified rating with material weaknesses and no significant findings reported in the Financial Statement. Qualified rating with material weaknesses and significant findings reported in Federal Awards. School did not qualify as Low-Risk Auditee.
- **Audit ending June 30, 2017:**  
Unmodified rating with material weaknesses and no significant findings reported in the Financial Statement. Qualified rating with material weaknesses and significant findings reported in Federal Awards. School did not qualify as Low-Risk Auditee.
- **Audit ending June 30, 2018:**  
Unmodified rating with material weaknesses and no significant findings reported in the Financial Statement. Qualified rating with material weaknesses and significant findings reported in Federal Awards. School did not qualify as Low-Risk Auditee.

**Budget:**

**Statement of Revenues, Expenditures, and changes in Fund Balances- Government Funds**

	Ending 06/30/2017	Ending 06/30/2016	Ending 06/30/2015
<b>Revenues:</b>			
Local Revenues	\$ 48,042.00	\$ 59,054.00	\$ 88,489.00
Federal aid, grants & reimbursements	\$ 5,284,441.00	\$ 5,044,908.00	\$ 4,443,982.00
<b>Total Revenues</b>	<b>\$ 5,332,483.00</b>	<b>\$ 5,103,962.00</b>	<b>\$ 4,532,471.00</b>
 <b>Expenditures:</b>			
Current:			
Education	\$ 1,925,989.00	\$ 2,706,886.00	\$ 4,594,788.00
Support Serv.	\$ 712,477.00	\$ 804,251.00	\$ 725,989.00
Support Serv. Admin	\$ 682,059.00	\$ 824,361.00	\$ 1,050,741.00
O&M	\$ 275,720.00	\$ 349,838.00	\$ 346,444.00
Transportation Serv.	\$ 233,308.00	\$ 282,372.00	\$ 202,628.00
Ops of Non Instructions	\$ 36,079.00	\$ 57,956.00	\$ 93,138.00
Support Services			
Capital Outlay	\$ 19,965.00	\$ 115,980.00	\$ 172,075.00
<b>Total Expenditures</b>	<b>\$ 3,885,597.00</b>	<b>\$ 5,141,644.00</b>	<b>\$ 7,185,803.00</b>
Net Change in Fund Balance	<b>\$ 1,446,886.00</b>	<b>\$ (37,682.00)</b>	<b>\$ (2,653,332.00)</b>
 <b>Fund Balance Beginning of Year</b>			
<b>Restated</b>	<b>\$ 1,482,263.00</b>	<b>\$ 1,519,945.00</b>	<b>\$ 4,173,277.00</b>
<b>Increase (decrease) in Reserve for Inventory</b>			
<b>Fund Balance, End of Year</b>	<b>\$ 2,929,149.00</b>	<b>\$ 1,482,263.00</b>	<b>\$ 1,519,945.00</b>

**This summary is only for revenues received in the years noted and the expenditures for that year against the revenues. This summary does not include assets, accounts payable and other liabilities.**

**Leupp Schools, Inc.  
Reauthorization Summary (17)**

**Audit:**

- **Audit ending June 30, 2014:** Qualified rating with material weaknesses and significant findings reported in Financial Statement. Qualified rating with material weaknesses reported in Federal Awards. School did not qualify as Low-Risk Auditee.
- **Audit ending June 30, 2015:** Unmodified rating with material weaknesses and no significant findings reported in Financial Statement. Qualified rating with material weaknesses and significant findings reported in Federal Awards. School did not qualify as Low-Risk Auditee
- **Audit ending June 30, 2016:** Unmodified rating with material weaknesses and no significant findings reported in Financial Statement. Qualified rating with material weaknesses and significant findings reported in Federal Awards. School did not qualify as Low-Risk Auditee. Material weakness findings have not been corrected as the school just got their audit report recently.

**Budget:**

**Statement of Revenues, Expenditures, and changes in Fund Balances – Government Funds**

	Ending 6/30/15	Ending 6/30/14	Ending 6/30/13
<b>Revenues:</b>			
Other funds	88,489	254,225	84,466
Federal aid, grants & reimbursements	<u>4,443,982</u>	<u>4,866,175</u>	<u>4,969,572</u>
<b>Total revenues</b>	<u>4,532,471</u>	<u>5,120,400</u>	<u>5,054,038</u>
<b>Expenditure:</b>			
Current:			
Education	4,594,788	3,867,023	3,020,636
Administration	725,989	578,802	433,618
Facilities	1,050,741	1,019,535	842,215
Transportation	346,444	337,756	249,570
Food Services	202,628	385,633	311,214
Quarters	93,138	68,881	31,243
Support Services	-	-	12,205
Capital outlay	<u>172,075</u>	<u>139,825</u>	<u>23,628</u>
<b>Total expenditures</b>	<u>7,185,803</u>	<u>6,397,455</u>	<u>4,924,329</u>
<b>Net Changes in Balance</b>	<u>(2,653,332)</u>	<u>(1,277,055)</u>	<u>129,709</u>
<b>Fund balance, beginning of year, restated</b>	<u>4,173,277</u>	<u>5,297,360</u>	<u>193,294</u>
Increase (decrease) in reserve for prepaid items			(63,747)
<b>Fund balance, end of year</b>	<u>1,519,945</u>	<u>4,020,305</u>	<u>259,256</u>

*This summary is only for revenues received in the years noted and the expenditures for that year against the revenues. This summary does not include assets, accounts payable and other liabilities.*

**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2017**

**Section I — Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	None reported
Noncompliance material to financial statements noted?	Yes

*Federal Awards*

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	Yes

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

<u>Name of Federal Program or Cluster</u>	<u>Type of Opinion</u>
15.042 Indian School Equalization Program	Qualified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.156(a)?	Yes
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**Leupp Schools, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

**Section I — Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	None reported
Noncompliance material to financial statements noted?	Yes

*Federal Awards*

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	Yes

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

<u>Name of Federal Program or Cluster</u>	<u>Type of Opinion</u>
Indian School Equalization Program	Qualified
Indian Education Facilities, Operations and Maintenance	Qualified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.156(a)?	Yes
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United States Department of the Interior  
Bureau of Indian Education  
Navajo District – School Operations  
P.O. Box 3239  
Shiprock, New Mexico 87420  
PH: (505) 368-3400



November 29, 2017

Registered Mail - Return Receipt Requested

Leupp Schools, Inc.  
School Board President  
HC-61, Box D  
Winslow, AZ 86047

Subject: Letter of notification for Removal of Sanction Level I for Leupp Schools, Inc. Single Audit Report Ending June 30, 2016.

Dear School Board President:

The Grants Management Specialist received Leupp Schools, Inc. Single Audit Report Ending June 30, 2016 on Wednesday, November 29, 2017 via email. The electronic copy was also emailed to the Division of Internal Evaluation and Assessment on November 29, 2017. The letter of notification will confirm the removal of Sanction Level I for Leupp Schools, Inc. Single Audit Report Ending June 30, 2016. Therefore, Leupp Schools, Inc. (0071317096) is now authorized to draw down all school funds currently available in the Automated Standard Application Payments (ASAP) for school year 2017-2018 (A17AV00699).

Please contact Marilyn Holiday, Grants Management Specialist for questions and assistance at (505) 368-3415 or Marilyn.holiday@bie.edu.

Sincerely,

Dr. Rena M. Yazzie,  
Education Program Administrator-School Operations

cc: Division of Internal Evaluation and Assessment  
Marilyn Holiday, Grants Management Specialist  
Derek Boyer, Administrative Analyst, BIE Administration/Operations  
Bart Stevens, Deputy Director, BIE Administration/Operations  
Darrick Franklin, ODAC, Navajo Nation Dine Education

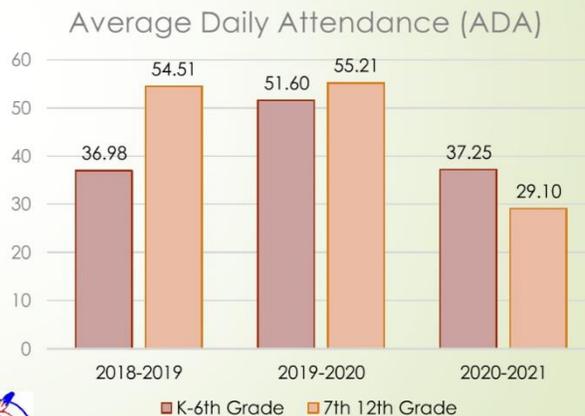
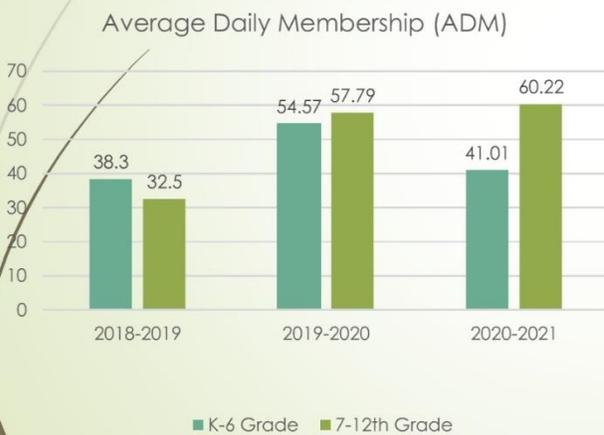
## School Data- Office of Educational Research and Statistics Teacher Count

Department	Certified	Paraprofessional/Non-Certified
<ul style="list-style-type: none"> <li>• Exceptional Student Services</li> <li>• K-6<sup>th</sup> Grade</li> <li>• 7<sup>th</sup>-8<sup>th</sup> Grade</li> <li>• 9<sup>th</sup>-12<sup>th</sup> Grade</li> <li>• K-12<sup>th</sup> Grade</li> <li>• Dine Language and Studies</li> <li>• FACE</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Special Education Teacher K-12<sup>th</sup> Grade/Coordinator</li> <li>• 3 General Education Teachers</li> <li>• 1 General Education Teacher</li> <li>• 1 General Education Teacher</li> <li>• 1 Athletic Director/Physical Education Teacher</li> <li>• 1 ADE/Navajo Language Teacher</li> <li>• 1 Adult Teacher</li> </ul>	<ul style="list-style-type: none"> <li>• 2 Paraprofessionals</li> <li>• 1 Teacher Assistant</li> <li>• 1 Teacher Assistant</li> <li>• 1 Navajo Language Teacher</li> <li>• 1 Early Childhood Teacher, 1 Early Childhood Co-Teacher, 1 Parent Educator</li> </ul>



## School Data- Office of Educational Research and Statistics – Attendance- ADM & ADA

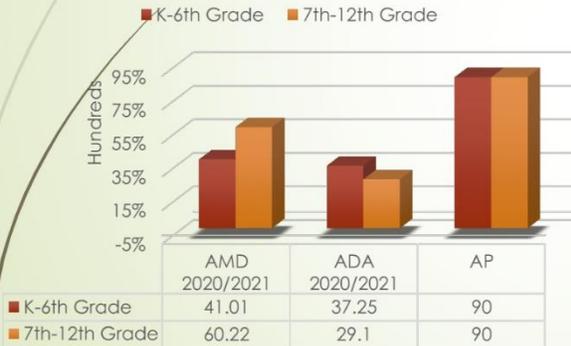
Information was acquired from NASIS. Formulas: **Average Daily Membership (ADM)** (Membership Days x Percent Enrollment/Instructional Days) **Average Daily Attendance (ADA)** (Membership Days – Absent Days x Percent Enrollment/Instructional Days)



## School Data- Office of Educational Research and Statistics – Attendance Percentage & Challenges & Barriers

- Information was acquired from NASIS. Formulas:  
**Attendance Percentage** (Present Days/Membership Days X 100)

### Attendance Percentage



### Challenges & Barriers:

Unexpected remote learning	Unsupervised students	Technology connectivity issues	Student/Parent misuse of devices
Siblings in care of younger siblings	Geographical changes in family household	Lack of social interaction	Students/families exposed or diagnosed with COVID-19
Lack of motivation	Too much screen time	Food insecurity	Sleeping in
Unstructured daily routine	Grandparents as guardians (limited technology knowledge & discipline)	Students are not able to return packets due to COVID-19	Lack of resources for students social and emotional well being
Lack of communication to school (not reporting excused and unexcused absences, change of phone numbers or address, not reporting issue with technology devices, etc.)			

## School Data- Office of Educational Research and Statistics – Graduation Rate Cohort for SY2019-2020 and Drop-out Rate



90%  
Graduation  
Rate

0% Drop-  
out Rate

Smart  
Goal: 85%  
Graduation  
Rate

Year	Transferred In:	Transferred Out:	Total Students:
2019-2020 Senior Cohort: 9	1	0	10
2018-2019 Junior Cohort: 10	1	2	9
2017-2018 Sophomore Cohort: 9	3	2	10
2016-2017 Freshman Cohort: 8	6	5	9

## School Data- Office of Educational Research and Statistics – NWEA 2019-2020 Growth for Reading

K-2 <sup>nd</sup>	Increased ↑	Decreased ↓	BOY	MOY
Basic		9%	38%	29%
Near Proficiency		25%	53%	28%
Proficiency	26%		9%	35%
No Score	8%			
3rd-5th	Increased ↑	Decreased ↓	BOY	MOY
Basic		3%	53%	50%
Near Proficiency	4%		31%	35%
Proficiency		1%	16%	15%

6th-8th	Increased ↑	Decreased ↓	BOY	MOY
Basic		6%	62%	56%
Near Proficiency		3%	31%	28%
Proficiency	9%		7%	16%
9th-12th	Increased ↑	Decreased ↓	BOY	MOY
Basic	16%		61%	77%
Near Proficiency		11%	28%	17%
Proficiency		5%	11%	6%

### 2019-2020 READING



## School Data- Office of Educational Research and Statistics – NWEA 2019-2020 Growth for Math

K-2 <sup>nd</sup>	BOY	MOY	Increased ↑	Decreased ↓
Basic	10%	28%	18%	
Near Proficiency	34%	43%	9%	
Proficiency	56%	31%		25%
3rd-5th	BOY	MOY	Increased ↑	Decreased ↓
Basic	58%	66%	8%	
Near Proficiency	36%	30%		6%
Proficiency	6%	4%		2%

6th-8th	BOY	MOY	Increased ↑	Decreased ↓
Basic	67%	63%		4%
Near Proficiency	29%	25%		4%
Proficiency	4%	12%	8%	
9th-12th	BOY	MOY	Increased ↑	Decreased ↓
Basic	69%	82%	13%	
Near Proficiency	31%	18%		13%
Proficiency	0%	0%		

### 2019-2020 MATH

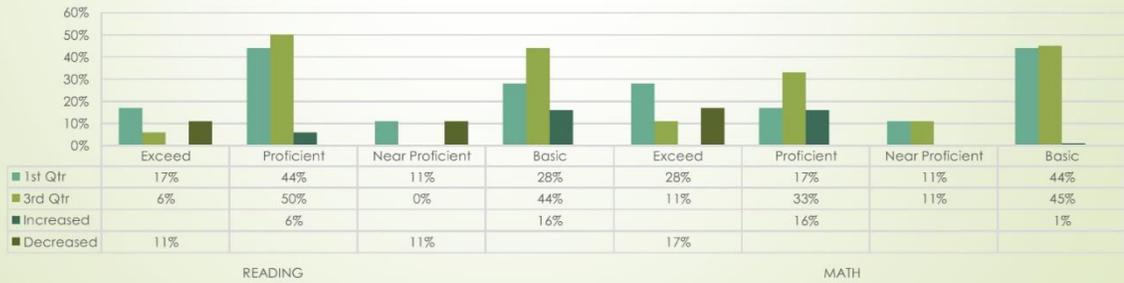


# School Data- Office of Educational Research and Statistics – 2020-2021 Journeys Reading & enVision Math Curriculum Summative Assessment

## K-1st Grade

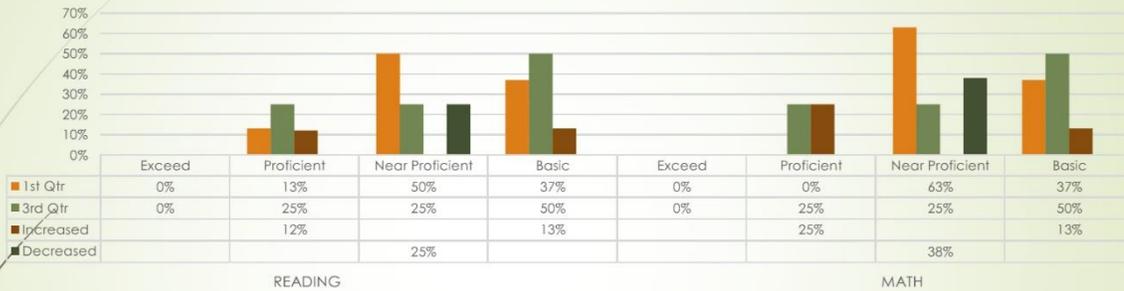


## 2ND - 4TH GARDE

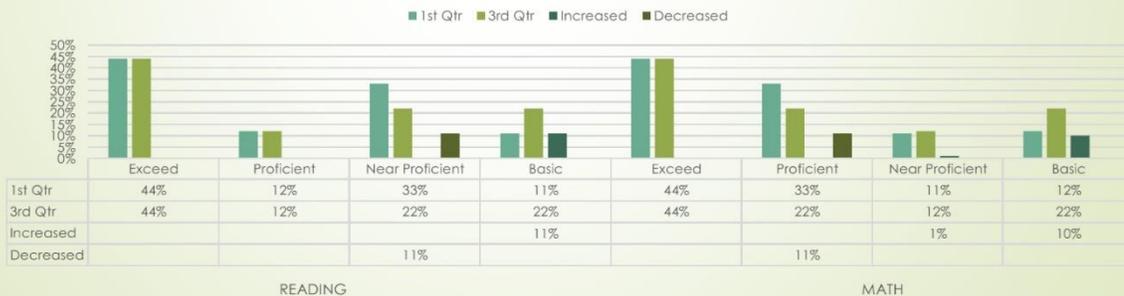


# School Data- Office of Educational Research and Statistics – 2020-2021 Journeys Reading & envision Math Curriculum Summative Assessment

## 5th & 6th Grade

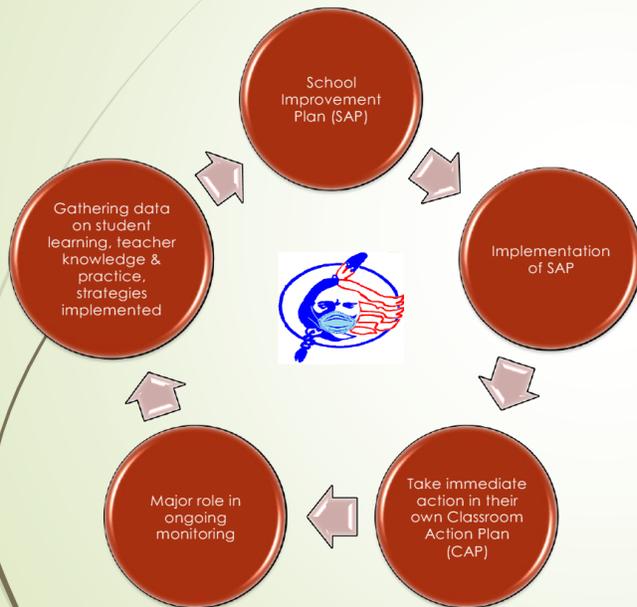


## 7th & 8th Grade



# School Improvement – Office of Diné School Improvement

## (School Data Team – Roles and Responsibilities)



UDP Data Team	School Data Team
Principal	Mrs. Emma Yazzie
Lead Teacher	Marietta Redhair
Data Team	Bernadine McCabe, Sandy Bahe, Reuben Holgate, Melinda Harrison, Phyllis Begay, Jeff Hunt, Marilyn Reddye, Janet Lamson, Thomas Gorman, Christina Schultz
Special Education Teacher/Coordinator	Hertha Woody

# School Improvement – Office of Diné School Improvement

## School Improvement Plan & Timeline

### Timeline & Activities:

Spring	Summer	Fall	Winter
<b>**Analyzing-Data:**</b> <ul style="list-style-type: none"> <li>• → Benchmark-assessment</li> <li>• → Formative-assessment</li> <li>• → Attendance-data</li> <li>• → And-other-process-data.</li> </ul> <b>**Identifying-Student-Learning-Problems**</b> <b>**Verifying-Root-Causes**</b> <b>**Developing-SMART-Goals**</b> <b>**Generating-Solutions**</b> <b>**Developing-Monitoring-Plan**</b>	<b>**Analyzing-Data:**</b> <ul style="list-style-type: none"> <li>• → PARCC-Assessment-result.</li> </ul> <b>**Revisiting-School-Action-Plan-known-as-School-Improvement-Plan-which-includes-Generated-solutions-and-develop-monitoring-plan.-**</b> <b>**Making-adjustment-to-School-Improvement-and-ready-for-implementation**</b>	<b>**Implementation-of-School-Action-Plan**</b> <b>**Continuous-Data-Collection-for-monitoring**</b> <b>**Revisiting-School-Action-Plan-in-October:**</b> <ul style="list-style-type: none"> <li>• → Analyze-Data</li> <li>• → Make-adjustment-to-School-Improvement-Plan</li> </ul>	<b>**Implementation-of-School-Action-Plan**</b> <b>**Continuous-Data-Collection-for-monitoring**</b> <b>**Revisiting-School-Action-Plan-in-January:**</b> <ul style="list-style-type: none"> <li>• → Analyze-Data</li> <li>• → Make-adjustment-to-School-Improvement-Plan</li> </ul>

### School's School Improvement Plan Development:

- Currently, in the process of analyzing data and making adjustment to SMART Goals, strategies, and monitoring, actions, and budget.
- School Improvement Plan will be finalized by Friday, May 28, 2021 and submitted to BIE by May 30, 2021.



# School Improvement – Office of Diné School Improvement

## A secured and complete ODSI Focal School Agreement



Office of Diné School Improvement  
DEPARTMENT OF DINÉ EDUCATION  
P.O. Office Box 670  
Window Rock, Arizona 86515  
Tel: 928-471-4332  
Fax: 928-471-4744

JONATHAN NEZ  
President

MYRON LIZER  
Vice-President

OFFICE OF DINÉ SCHOOL IMPROVEMENT  
**FOCAL SCHOOL AGREEMENT**  
2021-2023

Leupp Schools, Inc  
School Name

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

- 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 (PPLC) for a Diné 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 Diné School Accountability Plan.

As a result, the Office of Diné School Improvement (ODSI) from the Department of Diné Education enters into an agreement with LSI School to provide technical assistance to meet the goals mentioned above.

The following outlines the scope of the agreement between the ODSI and LSI School:

ODSI

- Create and share a student level and demographic database for the school administrators and teachers 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.

Page 1 of 2



- 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 Administrator(s) 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 Institute for Data Team and teachers.
- Establish one parental involvement activity that encourages participation in school initiatives.
- Conduct overall evaluation.

School: School Name Leupp Schools, Inc

- Release the student level and demographic data to ODSI.
- Develop a Data Team with 3-4 members at the school site that must be consist of:
  - o Administrator, three teachers and data person
  - 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 ODP training, monthly meeting for monitoring of professional development plan
  - o Participate in the Using Data Process Workshops including Teacher Institute(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 Leupp Schools, Inc will collaborate with the ODSI to develop and implement the criteria listed above.

Emmalyseric 5-6-2021  
Authorized School Team Leader Date

Emma yarric 5-6-2021  
Principal Date

Tal White 5.6.21  
ODSI Education Administrator Date

Page 2 of 2

# School Improvement – Office of Diné School Improvement

## Information of school accountability designation

### Summary of School Improvement focus:

- To improve ELA and Mathematics education for all students at Leupp School Inc.
  - Aligning Curriculum in both ELA and Mathematics; identify power standards and pacing guide.
  - Increasing teachers and leaders' knowledge and skills to analyze and utilize student data.
  - Supporting teachers teaching in virtual classroom setting.

### Information of School Accountability Designation:

- The school accountability designation is determined by BIE.
  - Currently, unavailable to the schools.





Navajo Nation Grant School Reauthorization—Leupp School Inc.

Grade Level: *K-12* State Assessment: *PARCC*

**Demographics:**

Enrollment:

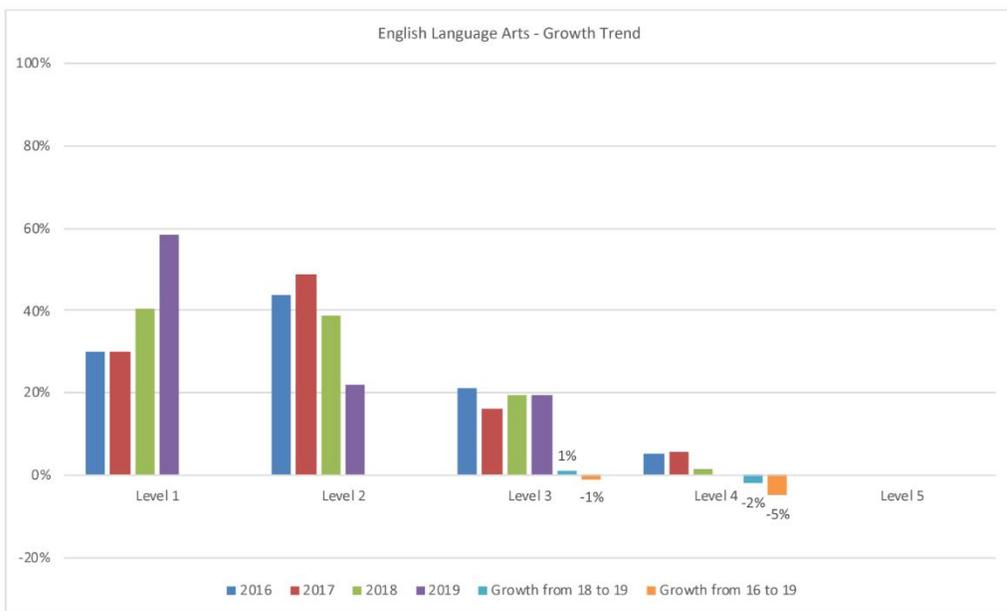
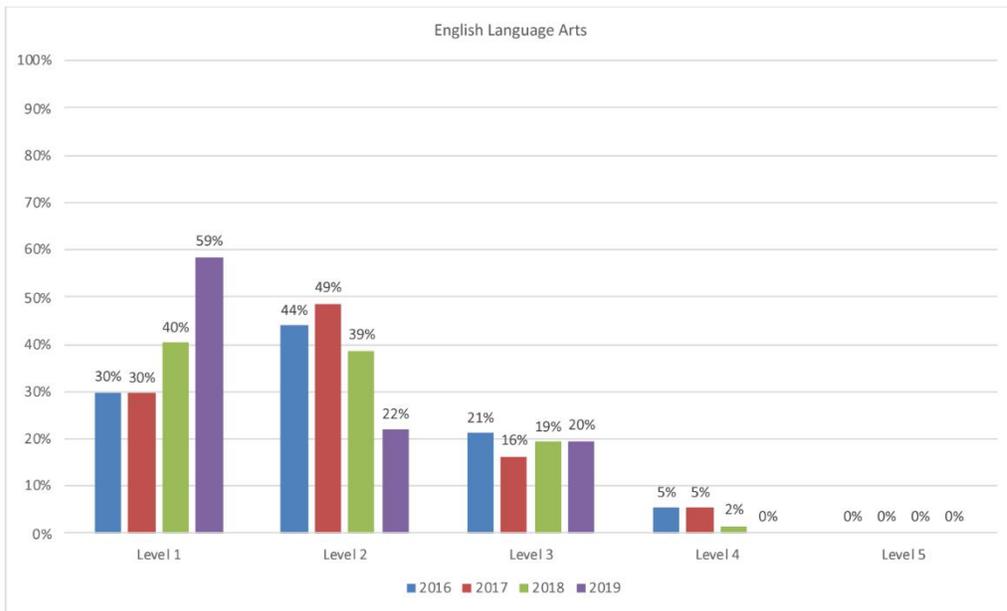
Attendance Rate:

Drop Out Rate:

Teacher Count:

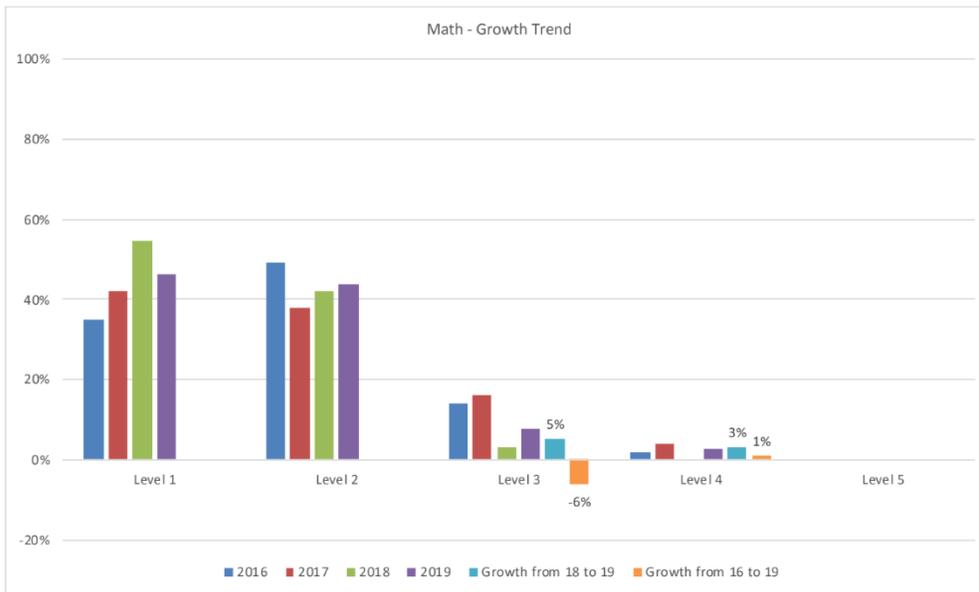
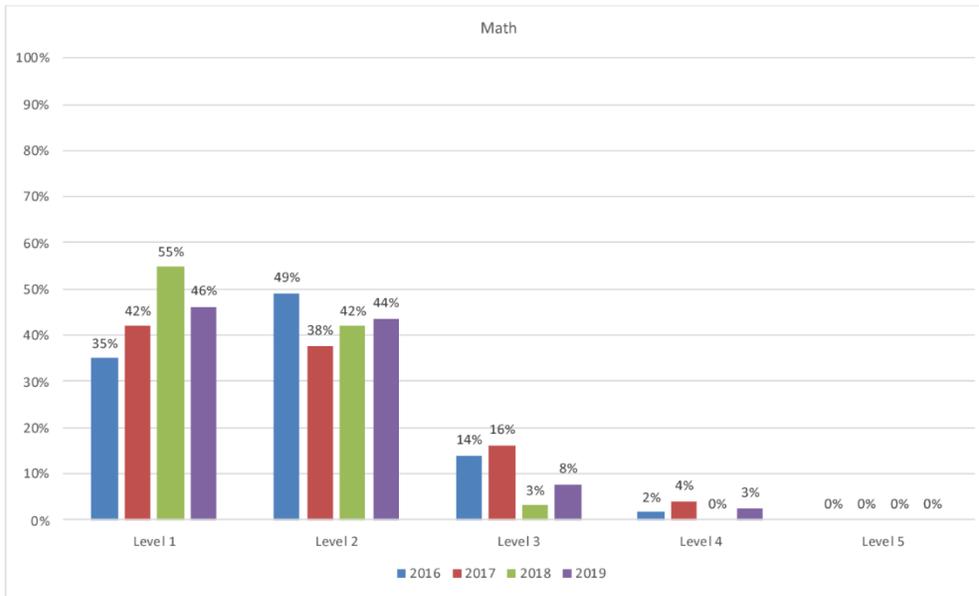
Graduation Rate:

<b>English Language Arts - PARCC 2018-2019</b>					
	<b># of Students Tested</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4/5</b>
All Students	41	24	9	8	0
Female	20	10	6	4	0
Male	21	14	3	4	0



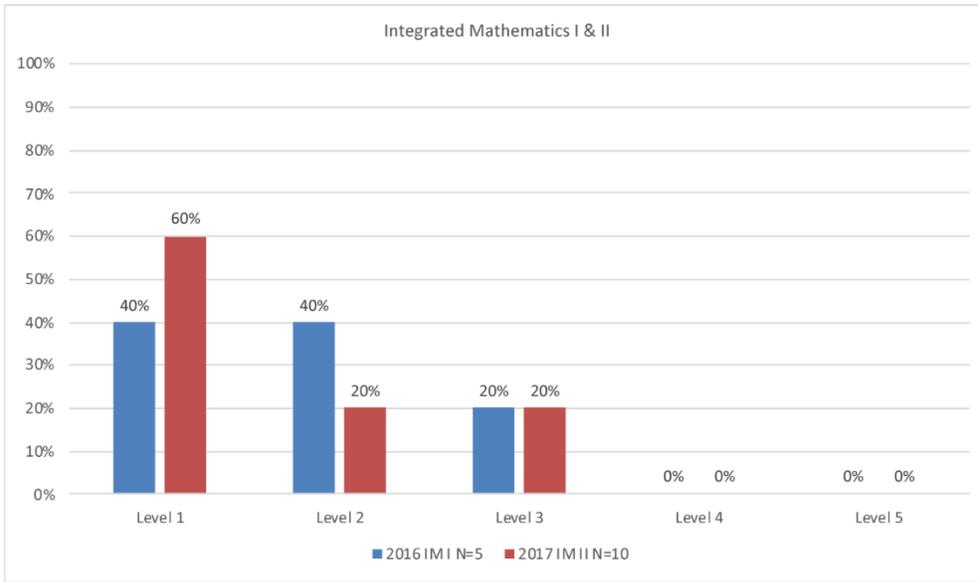
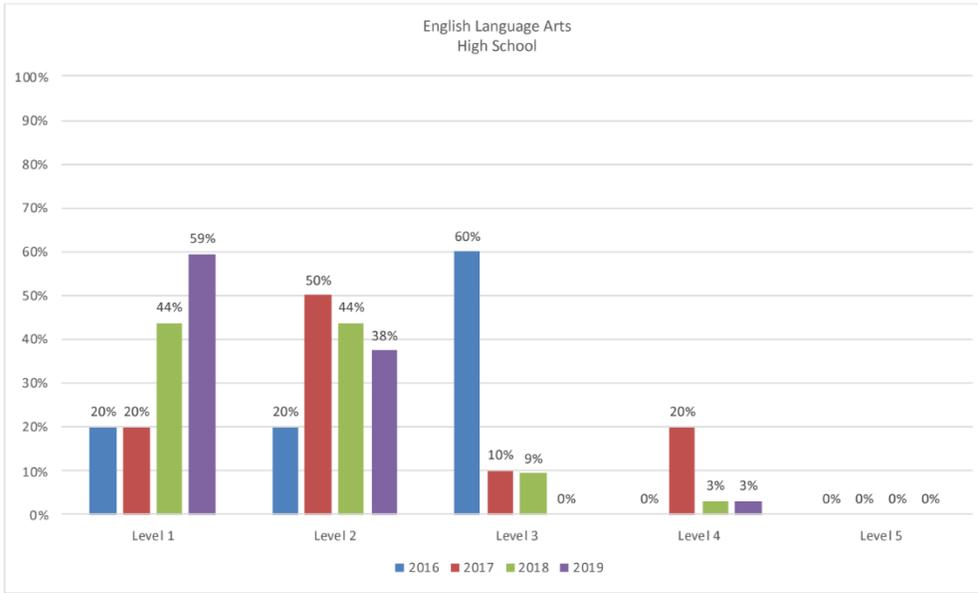
**Math - PARCC 2018-2019**

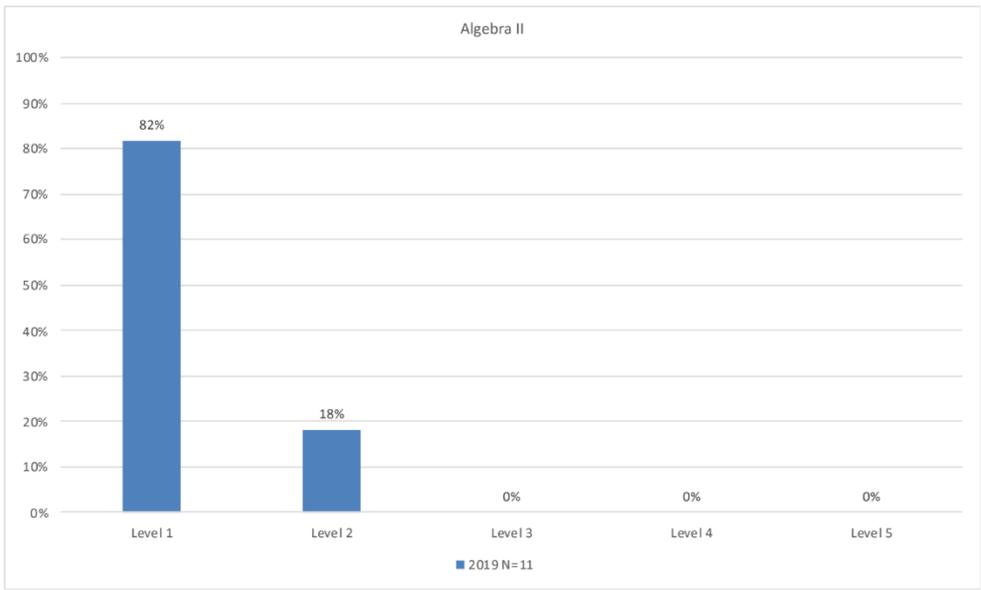
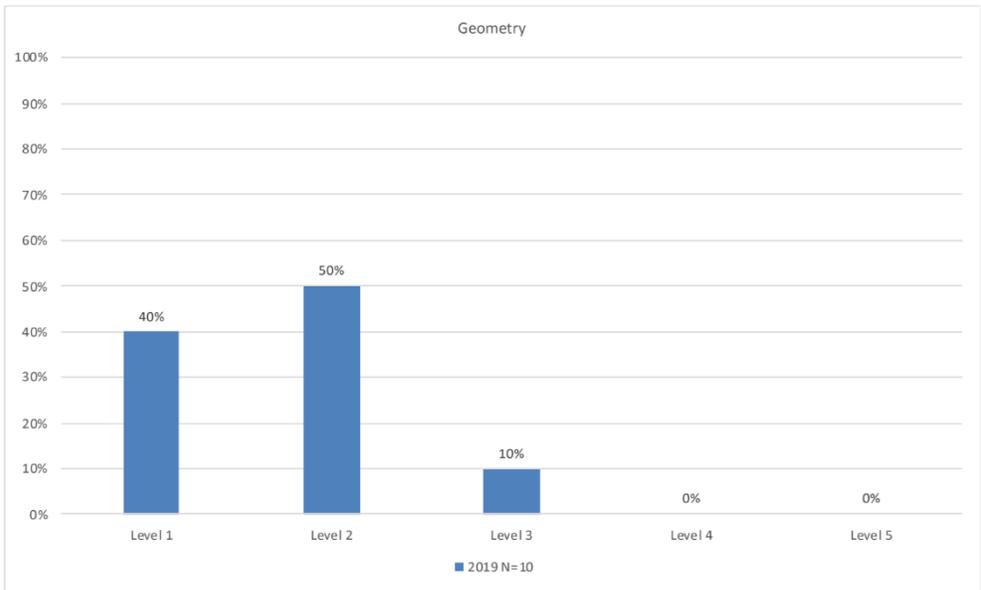
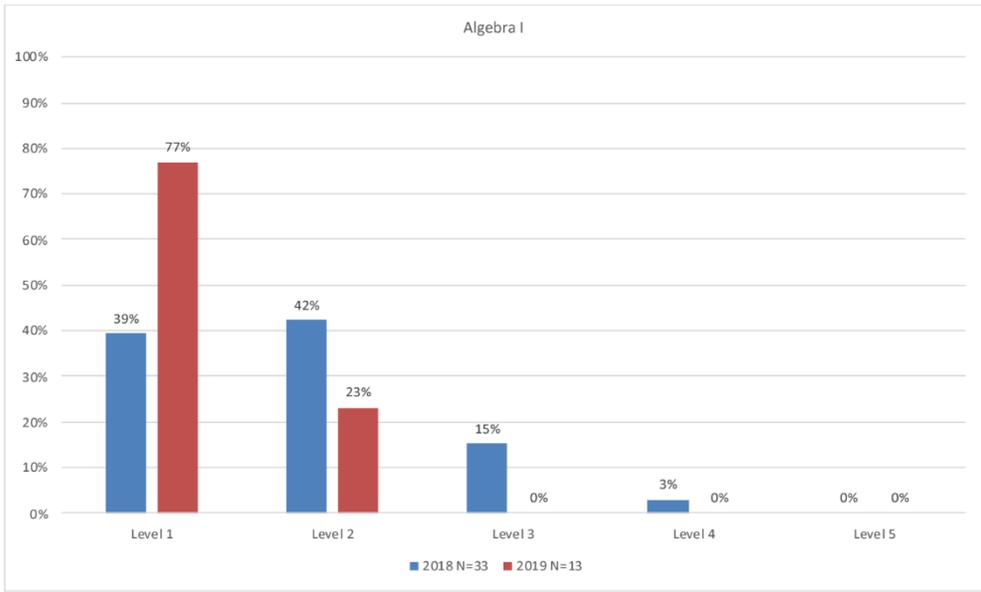
	# of Students Tested	Level 1	Level 2	Level 3	Level 4/5
All Students	39	18	17	3	1
Female	18	9	8	1	0
Male	21	9	9	2	1



**English Language Arts High School - PARCC 2018-2019**

	# of Students Tested	Level 1	Level 2	Level 3	Level 4/5
All Students	32	19	12	0	1
Female	15	7	7	0	1
Male	17	12	5	0	0





## Navajo Language and Culture- Teacher Certification & Professional Development

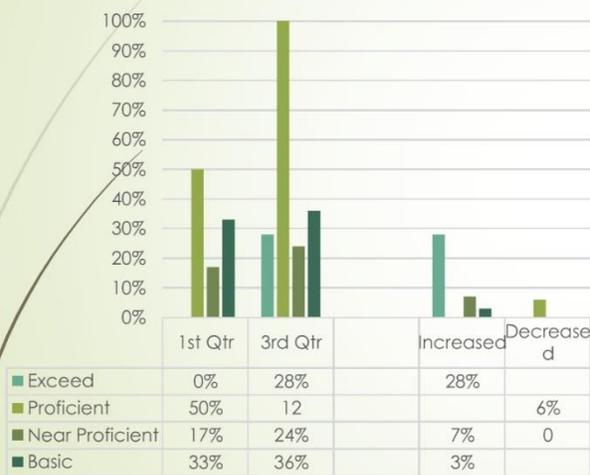


Dine Language Teacher	Certification	Approved Areas	Valid	Expiration
Elementary Navajo Language	*Pre - K- 12 <sup>th</sup> Native American Language-Navajo		7-1-2015	9-17-2021
Middle & High School Navajo Language	*Pre - K- 12 <sup>th</sup> Native American Language-Navajo	*Navajo Bilingual K-12 <sup>th</sup>	6-22-2018	11-14-2030
	*Standard ADE K-8 <sup>th</sup>	*Early Childhood Endorsement Birth - 8 <sup>th</sup>	5-31-2016	11-14-2022

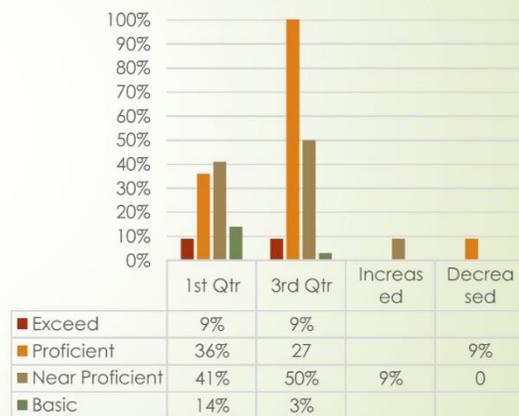
Professional Development	Date	Place
<b>Yikail Yizhchi Conference</b>	February 27 <sup>th</sup> -March 1 <sup>st</sup> , 2019	Farmington, NM
<b>OSCAD</b>	September 17 <sup>th</sup> , 2020	Window Rock, AZ (Virtual Session)
<b>OSCAD</b>	February 4 <sup>th</sup> , 2021	Window Rock, AZ (Virtual Session)

## Navajo Language and Culture- Navajo Language, Culture, Character Development, Government & History

K-5th Grade



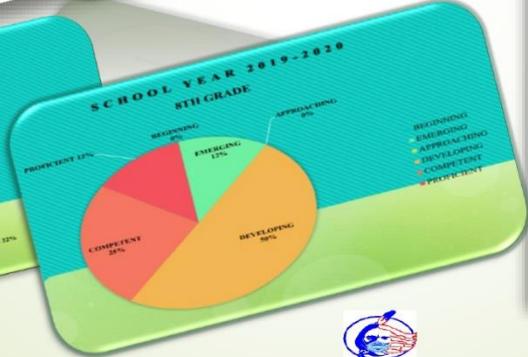
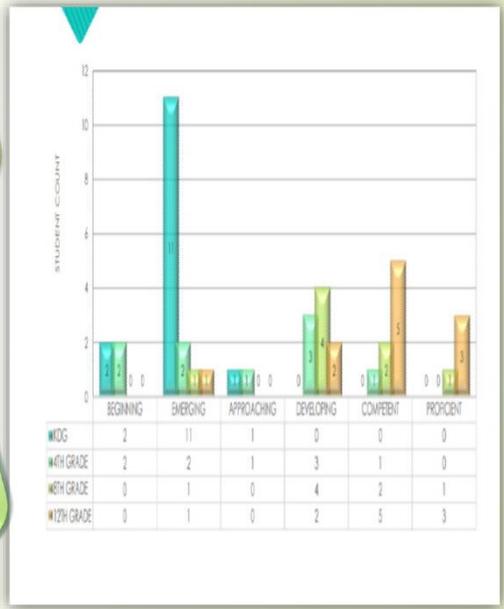
6th-12th Grade



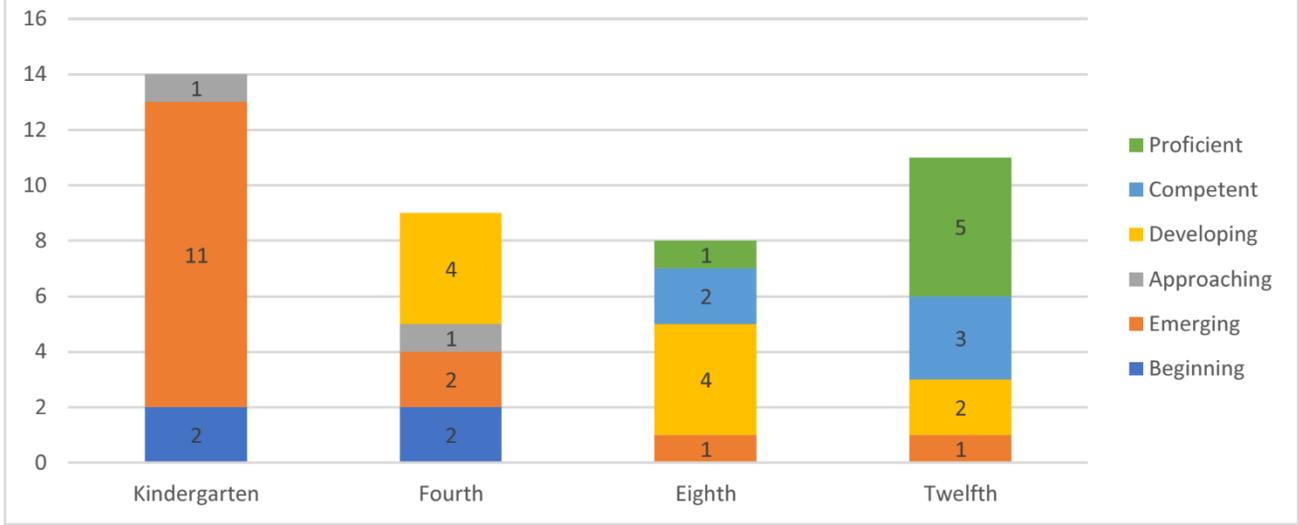
# Navajo Language and Culture- Curriculum Standards & Assessment

**Number of Participating Students**

KINDERGARTEN	14
4TH GRADE	9
8TH GRADE	8
12TH GRADE	11
<b>TOTAL:</b>	<b>42</b>



## DINÉ LANGUAGE PROFICIENCY ASSESSMENT FALL 2019 Leupp CS



## Accreditation – COGNIA Navajo Nation

Leupp Schools Inc.	Accreditation Status	Expiration Date of Accreditation	Notes
<b>Status</b>	Accredited	June 30, 2021	
<b>Date of Review</b>	Forthcoming July 2021		Engagement Review occurred on April 19 <sup>th</sup> -21 <sup>st</sup> , 2021. The final accreditation will be forthcoming in July 2021.
<b>Level of Engagement with office</b>	→		Minimal with Navajo Nation. Majority with our contact was with the lead evaluator.
<b>Professional Development</b>	→		5x leadership and school wide staff had meetings with Dr. Lucas Shivers.



## Reauthorization of Grant Schools December 5, 2019

SCHOOL	ACCREDITATION STATUS	Five Year Accreditation Status Expiration Date	NOTES
Kin Dah Lich'T' Olta, Inc.	Under Review	June 30, 2024	<ul style="list-style-type: none"> <li>• Currently Under Review</li> <li>• Monitoring Review date is scheduled for 12/10/2019</li> <li>• Institution Progress Report due on 12/3/2019</li> <li>• Collaborate with Cognia   Navajo Nation regarding on going school improvement and implementation of Cognia's Performance Standards.</li> </ul>
Wide Ruins Community School, Inc.	Accredited	June 30, 2021	<ul style="list-style-type: none"> <li>• School should be preparing for next year's accreditation engagement review through collaboration with Cognia   Navajo Nation to understand new protocols and performance standards.</li> <li>• Schedule Engagement Review by May 30, 2020 for SY 2020-2021.</li> <li>• Access and use Cognia's online tools for continued accreditation and school improvement.</li> </ul>
Leupp Schools, Inc	Accredited	June 30, 2021	<ul style="list-style-type: none"> <li>• School should be preparing for next year's accreditation engagement review through collaboration with Cognia   Navajo Nation to understand new protocols and performance standards.</li> <li>• Schedule Engagement Review by May 30, 2020 for SY 2020-2021.</li> <li>• Access and use Cognia's online tools for continued accreditation and school improvement.</li> </ul>
NaaTsis'Aan Community School, Inc	Accredited	June 30, 2021	<ul style="list-style-type: none"> <li>• School should be preparing for next year's accreditation engagement review through collaboration with Cognia   Navajo Nation to understand new protocols and performance standards.</li> </ul>



**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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, Inc.** through monitoring and enforcement of the following mandatory provisions:
  - I) The **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, Inc.** shall request authorization from the Navajo Nation Board of Education, submitted through the Department of Diné Education.

- c) The **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 30<sup>th</sup> of each year. In addition, the **Leupp Schools, 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 **Leupp Schools, Inc.** from the Bureau of Indian Education, or any Navajo Nation general funds received directly or indirectly by the **Leupp Schools, 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 **Leupp Schools, Inc.** from the Bureau of Indian Affairs, or any Navajo Nation general funds received directly or indirectly by the **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, Inc.** to enforce Navajo Nation laws, to oversee the performance of the grant hereby approved, and to require that the **Leupp Schools, Inc.** make appropriate changes to the operation and management of the **Leupp Schools, Inc.** In the event that such changes involve revisions to the scope of the authorization of the **Leupp Schools, 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 **Leupp Schools, 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 **Leupp Schools, Inc.** in addition to the standard conditions and sanctions specified in “**EXHIBIT B.**”

The **Leupp Schools, Inc.** shall:

1. Provide a satisfactory report and corrective action plan to the Board, through the Department, to 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. The Department and school shall provide bi-monthly reports to the Board regarding the school’s progress.
2. Submit SF 425 Quarterly Finance Reports to Bureau of Indian Education (BIE) and the Department of Diné Education (Office of Diné Accountability and Compliance).
3. 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). The school shall provide evidence/documentation that it is complying with this requirement.
4. Provide one (1) hour of daily instruction in Diné language and culture. The school shall provide evidence/documentation that it is complying with this requirement.
5. 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.
6. 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).

7. Continue to follow all Navajo Nation, State and Federal Laws, Policies and Guidelines in operating the school.