

*The Camptonville Academy*

**Agenda Item G1**

TO: Board of Directors

FROM: Dr. David E. Guthrie, Advisor to the Board

DATE: December 10, 2009

ITEM: **Legislative Analyst Office (LAO) California Fiscal Outlook Report**

**Background:**

The LAO publishes an annual “California Fiscal Outlook Report” that is a 5-year forecast of the State’s economic condition and the source from which the Governor and Legislature develop their budget assumptions released in January. The Report is the most authoritative independent assessment of California’s economy outlook, demographics, revenues, expenditures, and impacts from ongoing structural deficit spending. The LAO was first to recognize the State’s structural deficits and implications for the State’s current fiscal crisis. Moreover, the LAO suggests recommendations to solve the budget problem but the Governor and Legislature have been reluctant to address as evident through overestimating revenue, understating appropriations, and incurring debt to finance deficit spending that leads to lower bond ratings and increased interest cost (risk premium) on bonds.

**Current Consideration:**

During the meeting, we will discuss the Report and what the Academy can anticipate for the upcoming budget year. The Governor will deliver the budget plan in early January that will reveal his revenue and spending priorities and how he will address the deficit to balance the budget estimated at **\$20.7 billion** combining this year and 2010/11. A recessionary economy, sub-prime mortgage crisis, bank and business failures, and wavering economic policies are dampening the State’s revenue projections. The LAO offers solutions but whether or not there is the political will to implement them remains to be seen. The LAO is projecting K-12 Education will receive a **-0.35% COLA** deflated as property taxes are revalued offset by State tax revenue sources that are depressed but rising slowly over time causing major adjustments to State and local agency budgets. The Academy should not expect to see significant increases for many years. Typically, the Governor has discounted the per-student dollars The Camptonville Academy receives to balance the budget in the near term and backfills when times are good. The State’s strategy of the past to balance the budget, relying on leveraging to fund operations, appears exhausted. If the Federal government does not respond positively to the Governor’s request for another stimulus bailout may not bode well for State budget and finances that will necessarily have a trickle down effect. No turnaround is expected until the 2013/14 fiscal year.

**Financial/Educational Impact:**

None.

**Recommendation:**

The Board of Directors discuss the LAO Report during the meeting.

*The Camptonville Academy*

**Agenda Item G2**

TO: Board of Directors

FROM: Jan Jablecki, Executive Director  
Chris Mahurin, School Director  
Dr. David E. Guthrie, Advisor to the Board

DATE: December 10, 2009

ITEM: **2010/11 Budget Development Calendar and Guidelines**

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**Background:**

The annual budget is a significant part of the overall planning process for the Academy. The budget is not merely an accounting tool; it is the Academy's education program expressed in monetary terms. The budget should reflect the Academy's philosophy, vision, and mission and the interests of its stakeholders. The governing board, administration, and staff need to participate and understand the budgeting process to develop a financial plan that aligns with the education program's goals and objectives.

**Current Consideration:**

During the meeting, we will discuss the budget process for the 2010/11 fiscal year, budget development structure, calendar, guidelines, Governor's budget, and SB740 as they impact the Program's resources and appropriations. The agenda item provides the Board with an opportunity to deliberate about the course of budget development through adoption at their regularly scheduled meeting in June.

**Financial/Educational Impact:**

None.

**Recommendation:**

The Board of Directors discuss the budget development process, calendar, and guidelines during the meeting.

*The Camptonville Academy*

**Agenda Item G3**

TO: Board of Directors

FROM: Jan Jablecki, Executive Director  
Chris Mahurin, School Director  
Dr. David E. Guthrie, Advisor to the Board

DATE: December 10, 2009

ITEM: **2009/10 First Interim Report Approval**

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**Background:**

Charter schools must submit periodic financial reports to their sponsors so they can determine the financial health and viability of their charter schools. This Interim Report fulfills the financial reporting and accountability provisions contained in AB 1137. The financial reporting and analysis is presented 4 times during the fiscal year: Budget Adoption (by June 30), First Interim (by December 15), Second Interim (by March 15), and Unaudited Actuals (by September 15). The financial information contained in these reports is an indication of the financial health of the Academy. The First Interim Report provides an update about the Academy's financial status as of October 31, 2009.

**Current Consideration:**

The enclosed 2009/10 First Interim Report shows a positive financial profile. From our analysis, the Academy continues on its course as an ongoing and viable concern that has sufficient reserves and excess funds from operations allowing the Academy to respond effectively to initiatives such as facilities and development support for the Placer charter school mandated by AB 1994. The Report demonstrates the Academy is financially sound and will be able to declare a "positive certification" for this reporting period based on the Academy's financials generated from Yuba County Office of Education financial system. Forecasting shows the Academy will remain financially sound despite the State's economy and fiscal crisis.

**Financial/Educational Impact:**

None

**Recommendation:**

The Board of Directors approve the 2009/10 First Interim Report.

*The Camptonville Academy*

**Agenda Item G4**

TO: Board of Directors

FROM: Jan Jablecki, Executive Director  
Chris Mahurin, School Director  
Dr. David E. Guthrie, Advisor to the Board

DATE: December 10, 2009

ITEM: **2008/09 Audit Report Presentation and Approval**

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**Background:**

Education Code #41020 declares annual financial audits are required, “. . . to encourage sound fiscal management practices among local education agencies for the most efficient and effective use of public funds for the education of children in California by strengthening fiscal accountability . . .” The fiscal year audit must be delivered to the State by December 15<sup>th</sup> and reported to the School Board by January with recommendations to correct audit exceptions, if any, by March 15<sup>th</sup>.

**Current Consideration:**

The 2008/09 Audit Report, prepared by Hosaka & Nagel, Auditors, will be presented to the Board during the meeting. The Audit Report is without exceptions and, as the Auditor noted, “did not identify any deficiencies in internal control over financial reporting that was considered to be material weaknesses” and “no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.” Their opinions validate The Camptonville Academy’s good accounting and internal control practices.

**Financial/Educational Impact:**

None.

**Recommendation:**

The Board of Directors discuss and accept the audit report.