



Board Meeting Agenda
Friday, Sept. 7th 2012, 2:30 P.M.
John Adams Academy Campus
One Sierragate Plaza, Roseville, CA 95678

Slogan

Developing Servant Leaders....Restoring America’s Heritage

I. PRELIMINARY

- A. Call to order: Time 2:30 PM
- B. Pledge
- C. Roll Call

Dean Forman	<u> X </u>	<u> </u>
Cindi Sherrod	<u> X </u>	<u> </u>
Norman Gonzales	<u> X </u>	<u> </u>
Paul Savage	<u> </u>	<u> A </u>
Bryan Favero	<u> </u>	<u> A </u>
Tricia Nielsen	<u> X </u>	<u> </u>
Carol Pottorf	<u> </u>	<u> A </u>

II. THOUGHT OF THE DAY –

III. PUBLIC COMMENT

This is the time in which anyone in the audience may address the Board for two (2) minutes on any item that is not on the agenda. (The Board has the discretion to restrict public comments to those matters it deems relevant to its subject matter jurisdiction. Govt. Code Sect. 54954.3)

IV. ACTION AGENDA

- A. Approval of unaudited actuals for 2011-12 school year.
(Stewart & Brophy)

Jay Stewart, Associate Superintendent of Business from the Loomis Union School District, and Brophy provided the Board with a report of the Unaudited Actuals for the 2011-12 year. This report included further details reported after the Board approved the 2012-13 budget and is the last step in closing out the Academy’s prior year financial records. The school’s outside audit agency will review the

unaudited actuals and make a final determination regarding the accuracy of the data.

Stewart report that the academy's financial position ended better than projected at second interim.

Of note:

The Academy started in fund 09 and the state required a switch to fund 62. Fund 09 is was closed and funds in 09 were transferred to fund 62 moving forward.

Revenues:

Revenue Limit Sources increased by \$128,728 based on P-2 revenue limit data received from the State. \$981,116 of the \$2,950,042 total was made up of deferrals received after the close of the fiscal year, in July and August.

Federal Revenue decreased by \$74,310 based on actual receipts and accounts receivable. This decrease was due to the estimate the fact that only \$175,690 of the \$250,000 start-up grant was claimed during the fiscal year. This grant is paid as reimbursements. All funds were expended during the grant cycle and have been applied for. The academy is awaiting receipt of the remaining \$74,310 which will be made available in the 2012-13 school year.

Other State Revenue increased by \$31,753 over estimated actuals. This included \$188,767 in deferrals for the Categorical Block Grant and another \$39,885 for the Supplemental Block Grant. Brophy reported that all receivables and deferrals did come in although they may have been a slightly different amount than what was expected and that the academy received another \$71,000 yesterday.

Other Local Revenue increased by \$224,392. The majority of the increase was due to the posting of the Special Education apportionment.

Total Revenues, including all of the above, increased by \$310,552.

Expenditures:

Expenditures decreased by \$64,310 due to a large decrease in books and supplies, remaining Start-Up Grant and cash flow conservation efforts.

Services increased and other Operating Expenses increased by \$98,906 due to accounts payables that needed to be set up for note and loan repayments. The charter school grant loan repayment actually starts this year, not next year. That repayment needs to be approved with a payment \$14,128 including interest, per month August – January, for 3 years.

Excess of Revenues:

The budget had anticipated \$81,679 in excess of revenues over expenditures but actually realized \$456,262 for a positive difference of \$374,583. The increased expenditure for the loan will need to be rolled in and then the academy will end with positive of about \$300,000.

Net Assets:

John Adams Academy's ending balance is projected at \$706,262, pending the final audit. That amount will be reduced by \$82,000 for loan repayment, but still leaves a strong balance with reserves included. The academy will start off this year financial year with this added to the beginning balance.

Stewart reported that the additional forms in the unaudited actual package don't pertain to John Adams Academy but are for the auditors.

The only flagged areas on technical review are that JAA comes in low in the category of general administration because Loomis does so much of the administration and it doesn't show up as a direct cost. On the other side, the actual appear high in the category of services because this is where the actual cost of our administration through Loomis shows up.

Sherrod thanked Brophy for keeping a close eye and reigning in the spending. Stewart pointed out that it is quite a balancing act to conserve funds and not impact curriculum.

Sherrod questioned whether we will be able to make loan repayments comfortably and was assured by Stewart that we can. Brophy reported that we have applied for four (4) waivers of deferment and Stewart noted that the July deferment has been received. Brophy believes the four (4) deferments were a bundle but we won't know until the deferments are booked.

Sherrod asked Stewart for any advice going forward. Stewart advised that the toughest year is behind the academy because the first year is the start-up year. Gonzales reminded Stewart and the Board that while academy may not encounter all of the start-up costs again, the academy is still expanding programs and will incur the associated costs. Gonzales also pointed out that the fiscal triggers come from State revenues but that John Adams Academy has budgeted for the worst case scenario right down the line and has budgeted very lean. If things turn out better for State revenues it will be a nice surprise.

Forman confirmed that Loomis has been paid for its services and requested Stewart's opinion on repaying loans to Mr. Nagel or deferring until next August if a deferment can be received. Stewart reported that the prudent thing would be to defer it but recommended working with Brophy to see if the academy can pay at least part of it out this year because it is the right thing to do. He pointed out that the academy won't have start up costs this year while we may need to pay the loan in installments, we should pay those debts down if the cash flow will handle it.

Forman asked that the academy make sure that when we report our numbers to the State that we have filled the classrooms and purged scholars from the rolls that didn't show up. Brophy reported that we currently have some seats open in first, third and 11th grades. Interviews have been set for some and other seats are tied up in the 72-hour notification period after seats are offered to scholars on the waiting list. Forman asked that we expedite the process with a phone call during the 72 hours to see if scholars intent to take the spot. Sherrod volunteered the Board members to make those calls if necessary because the budget is set around specific enrollment numbers and it is important to get the scholars here and keep them showing up.

Sherrod motioned to approve the unaudited actuals for the year 2011-12 with the addition of the accounts payable of \$82,000 to pay back loans. Gonzales seconded the motion. The motion passed with unanimous approval.

Ayes 5

Nays 0

Forman pointed out that the Memorandum of Understanding (MOU) with Loomis is expiring June 30th of next year and that the academy should start the review process. He explained that John Adams Academy has benefited greatly by working with Stewart and the Loomis District but that it is a cash flow game that we have to play. Loomis District will also need to decide if it has worked out for them and if the MOU is priced appropriately. He reported that others have approached him interested in a MOU.

Forman requested the following:

- 1) Curriculum update at the next Board Meeting
- 2) Report of results of STAR of test: student scores released last Friday and mailed home but school score won't be available until October. Report of basics to be given by Happoldt at the next Board Meeting.
- 3) Review of Fundraising Policy
- 4) Remind the Board that Board Members will be reporting to the staff meeting on September 21st at 1:15 PM, following the Board Meeting on September 20th.
- 5) Resume the Lunch & Learn session with the High School scholars. Amy will send out a blank schedule.
- 6) The thought of the day for the September 20th meeting was assigned to Nielsen.

Vision

The John Adams Academies are restoring America's heritage by developing servant-leaders who are keepers and defenders of the principles of freedom for which our Founding Fathers pledged their lives, fortunes, and sacred honor.

Values

John Adams Academy is preparing future leaders and statesmen through principle-based education. Our core values include:

*Appreciation of our national heritage
Public and private virtue
Emphasis on mentors and classics
Student-empowered learning
Fostering creativity and entrepreneurial spirit
High standards of academic excellence
Modeling what we teach
Abundance mentality
Maintaining a culture of greatness*