



## **BUDGET DEVELOPMENT PROCESS**

### **Budget Development/Fiscal Reports**

Budget development will begin each year immediately following the January announcement of the Governor's K-12 budget proposals and continually refined through the May Revise and through the final State Budget Act. Budgeted resources will always be consistent with Charter School goals as identified by the Governing Board and set forth within the school's Local Control and Accountability Plan (LCAP). The first and second interim financial report will be submitted to the authorizing agency on November 30th and February 15, respectively each year. Any other audits will be at the requesting authority's expense. The following budget items will be submitted to the authorizing agency in the following manner. The provisional budget in the spring of the previous year, the final budget in July of the new School year, the un-audited actuals in July of the new School year, the audited actuals in November, Classification/statistical reports on a monthly basis, the P1 report in the first week of January, the P2 report in the first week of April. Budgets will be developed with a focus on allowing the redirection of spending priorities to provide leverage for fundamental changes, linking budget to student outcomes, and striving to be program-driven instead of formula-driven, with a focus on the federal and state programs, including the LCAP and other categorical programs (such as Title I, II, and III).

### **Audits**

An independent audit by a public accountant certified by the State of California will be performed annually for all accounts. The auditors will have extensive experience with education finance. Audited financial reports (for the fiscal year ending June 30th) prepared by an independent CPA at the Charter School's expense will be submitted annually to LAUSD, Los Angeles County of Education (LACOE), and the California Department of Education (CDE) for Los Angeles Academy of Arts and Enterprise.

The School's financial statements will be audited in accordance with generally accepted accounting principals and standards. Any other audits will be at the requesting authority's expense. In the event that the auditor's report finds discrepancies or exceptions, the Charter School and the authorizing agency will agree upon a process that will lead to the resolution of the discrepancies to the satisfaction of all parties. The Charter School also acknowledges its responsibility to respond to requests for information by the authorizing agency in a timely manner. The Principal and/or designee will be responsible for contracting and overseeing the independent audit. The final audit will be presented to the Governing Board of Directors.

Independent auditors generally request banking, accounting and systems information from the School that they will be auditing. As the request for this information is received at the School, the School will prepare and submit all information to the auditors so that they may conduct their pre-audit inspection. Auditors then submit a list of items, checks, invoices, and accounting information that they will be inspecting while on their on-site audit. All those documents will be prepared and ready for the auditors for when they arrive. Any questions or clarifications to the accounting procedures, revenues and expenditures will be made at the site visit.