II. Sustainability

A. Organization's Fiscal Viability

The Boys & Girls Clubs of the East Valley for the past 2 years has been struggling to keep pace with increased membership and decreased contributions. The deficits of $(505,630) in 08-09 and $(347,812) in 07-08 were due to decrease in contributions and fundraiser events. Conversely, BGCEV has more members than ever who are in need of financial assistance due to the current economic climate. The Corporate Board acknowledges the situation and has embraced and initiated specific strategies to reverse the trend. Mesa Arts Academy, however, runs on a separate budget and has different resource funding that allows the School to maintain a positive net cash flow. MAA, as demonstrated in Annual Financial Reports submitted to ADE, has been able to stay on track with their budget.

Part 2: Structures and Systems

- It is the policy of Boys & Girls Clubs of the East Valley to utilize the accrual basis of accounting, which recognizes revenues when they have been earned and expenses when they have been incurred. BGCEV's policy is to maintain a chart of accounts in compliance with Arizona Department of Education requirements. All individuals involved with accounting coding responsibilities or budgetary responsibilities will be issued a chart of accounts, and the chart of accounts will be updated on a routine basis as needed. Every year an independent auditor is engaged to review the Organization's financials which will include internal control testing, examining amounts and disclosures, financial statement presentation and to express an opinion on the financial statements. If the auditor presents a recommendation or has a finding related to the Charter School, the School Board will be notified of the issue and will be provided with a course of action to correct the situation.

- The School Administrator has the fiscal authority to approve expenditures. All purchase requisitions are completed by Staff and approved by the Administrator. The Administrator ensures that purchases are needed, cost effective, grant compliant if appropriate, correspond to the adopted budget, and follow state procurement rules. The President/CEO reviews expenditures before payments are made and the School Board reviews and approves each expense at every Board meeting.

- The Academy budget lists minimal fundraising/donation income in its adopted budget. The actual amount listed is much less than is reflective of individual donations from community partners that have been consistent over multiple years. The "donation" budget line item has always significantly exceeded anticipated revenues, including this budget year. We do not balance our school budget on anticipated donations and fundraising activities; however we do aggressively seek out and access these key opportunities.

  The main fundraising arm of the Academy is its parents' organization (MAAPO.) This group develops an annual fundraising budget and provides the activities and people-power to ensure they meet their goals. Activities funded by that group are typically outside of regular Academy programming and reflect additional opportunities for students (field trips,) facility upgrades (new shade cover and bleachers for the gym,) and staff recognitions. Typical fundraising activities include: Gold Canyon candle

sales, rummage sales, Avon sales, bake sales, etc. They also participate in other activities ("Box Tops for Education, etc.) that bring in cash or in-kind donations to the Academy programs. Much of their fundraising revenues are ear-marked for activities that promote family involvement (dinners, academic family activities, fiestas, etc.)

A secondary fundraising stream is the Arizona Education Tax Credit. The Administrator and President/CEO make an aggressive campaign each year in this area. The President/CEO sends information regarding this important funding stream to over 3,000 individuals each year as part of the Club's fundraising campaign. Corporate Board Members are strongly urged to take advantage of this opportunity as a requirement of membership on that Board. Again this year, as in every past year, we have exceeded the anticipated revenues in this area.

- Mesa Arts Academy accesses multiple community partners and philanthropic organizations to enhance its programs, provide needed supplies, and bring additional support people into its classrooms. The Administrator serves on advisory Boards for several community colleges. This brings in over 300 interns, student teachers, work-study students, Amercorps members, and community service volunteers that help in our classrooms or office each year. School Board members help in this process by accessing key volunteers and opportunities from the educational or service organizations that they represent. Board Members also assist in writing grants such as the Walden University Grant that brought $500.00 in library books to the Academy this school year.

  The BGCEV is a significant partner who helps Academy personnel connect to available national and local philanthropic resources. Their in-house grant writer often brings a potential funding opportunity or grant to the Academy Administrator and he is willing to assist Academy staff in the process of procuring these funding opportunities. Academy teachers have accessed multiple grant and funding opportunities over past years because of this support. In February 2009, the Club brought Jay-Z, Beyonce, and Lebron James to the Academy for a major media event. At that event, Coca-Cola/Sprite donated $5,000.00 to the Academy's music program and donated tens of thousands of dollars in musical and audio equipment to our program. The BGCEV is also a key component of our Title IV prevention program. They provide staff at no cost to the Academy budget to offer "promising" and "effective" prevention programs (Smart Moves, Service Learning, and Peer Mediation) to our students.

  The Academy has also identified on-going, key community partners (Mesa Sunrise Rotary, the Mesa Arts Center, Save the Family, Arizona Food Bank, Bridging Arizona, A New Leaf, LIONS, City of Mesa, etc.) who provide Academy families, students, and programs with in-kind donations and on-going support over multiple years. Every Academy student begins the school year with a backpack filled with supplies to use at home. This does not come out of school or MAAPO budgets, but is provided by our community partners. Although these philanthropic partnerships change over years, many of our key partners have been in place for over ten years. Access to significant philanthropic and community partners is an on-going strength of the Academy. We plan to continue and expand these important partnerships.