

February 6, 2010

To: The Board of Directors of
Lighthouse Academies of Arkansas Inc (LAA)

From: Bob Stearns
Vice President of Finance
Lighthouse Academies, Inc (LHA)

Enclosed are the financial statements for Jacksonville Lighthouse Charter School for the one month and seven months ended January 31, 2010.

Amendment #4 for FY10

1. Revenue – due to smaller payments a conservative approach would be to reduce the expected per pupil funding -34K. This revenue may go up if the school increases enrollment.
2. Title I was reallocated with an increase of \$22K. The school will need to increase expenses accordingly. I have assumed an increase to T-1 staff. The school may have a carryover in excess of 15% at year end. Most state's allow a waiver to carryover more than 15% but only once every three years.
3. Decrease student collections from meals program -15K for current trends.
4. Increase donations for recent contribution of 25K for the playground. Total budget is 52K which includes the balance from the startup period for bonuses of 25K, and other amounts of \$3K
5. ARRA grant and expenses \$76K. Both revenue and expense line have been added for ARRA Stimulus funds recently notified about. These are restricted in use and need to be budgeted with the AR Dept of Ed.
6. Reduced the lease payments by 19K due to expectation that only tech will be added to the lease of \$105K. Furniture under lease is expected to be bought out using PCSP grant of \$140K once the grant is approved. A resolution is attached for this purpose. The total cost of furniture to be bought out from the lease is approx 160K with 140K being funded by the PCSP grant and 20K from the general funds. If the grant is not approved it is expected that the furniture will remain under lease.
7. Added \$100K contingency to fund the building construction over the amount financed.
8. Reduced LHA loan repayments by 45K by deferring payments to next year.

The board should meet to discuss the above items and pass appropriate amendment and note in the minutes. A resolution is attached.

Jacksonville Lighthouse Charter School
Statement of Financial Position

	1/31/2010
Assets	
Cash	\$ 188,908
Accounts Receivable	12,228
Land and Building	2,863,432
Leased Furniture	159,211
Leased Computer Equipment	104,266
Total Assets	<u><u>\$ 3,328,045</u></u>
Current Liabilities	
Accounts Payable and Accrued Expense	\$ 63,944
Line of Credit-FBAT	-
Deferred Revenue	-
Total Current Liabilities	<u>63,944</u>
Long Term Liabilities	
Capital Lease	263,476
Loan Payable-LHA	400,000
Loan Payable-SFP	1,384,756
Loan Payable-LISC	837,755
Total Long Term Liabilities	<u>2,885,987</u>
Total Liabilities	<u>2,949,931</u>
Net Assets	
Temporarily Restricted Net Assets	25,000
Unrestricted Net Assets	353,113
Total Net Assets	<u>378,113</u>
Total Liabilities and Net Assets	<u><u>\$ 3,328,045</u></u>

	A	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
				One Month Ended 1/31/10			Seven Months Ended 1/31/10									
6	COMMENTS			One Month - Actual	One Month - Budget	Variance	Actual	Budget	Variance	Annual Budget - per amendment #3	remaining	forecast	Proposed Amendment #4			
145																
146				26,213	133,977	(107,764)	155,150	(116,167)	271,317	130,497	24,653	26,243	(104,253)			
147																
148																
149							(4,730)	(4,730)	(0)	(4,730)	(0)	(4,730)	-			
150																
151							150,419	\$ (120,897)	\$ 271,316	\$ 125,767	\$ 24,653	21,513	(104,253)			
152																
153																
154							202,694									
155																
156							\$ 353,113									

RESOLUTION OF BOARD OF DIRECTORS OF
LIGHTHOUSE ACADEMIES OF ARKANSAS INC

The Board of Directors of Lighthouse Academies of Arkansas, Inc. (the "Board") hereby approves buying out furniture that is currently on a lease schedule at cost from PCSP funds of \$\$140K and general operating funds of \$20K. Total furniture costs for the year approximate 310K of which 150K has already been paid for with the PCSP grant in the fall.

Approved by Board on the date shown below.

Board Secretary

Date

RESOLUTION OF BOARD OF DIRECTORS OF
LIGHTHOUSE ACADEMIES OF ARKANSAS INC

The Board of Directors of Lighthouse Academies of Arkansas, Inc. (the "Board") hereby approves FY10 budget amendment #4 as shown in the January financial statement of activities under the column 'Proposed Amendment #4 and as described in the financial report.

Approved by Board on the date shown below.

Board Secretary

Date