

May 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)

**April Financials**

Enclosed are the financial statements for Jacksonville Lighthouse Charter School for the one month and ten months ended April 30, 2010. I have updated the forecast column for the following projections

- Eliminated the Special Education revenue \$50K that has not come in as of yet. Due to uncertainty of its availability this year the forecast column is assuming no revenue. The school is encouraged to continue to follow up on the availability of this funding.
- Reduced the amount of Title I revenue that will be paid to \$76K to match the forecasted expenses of staff and materials.
- NSLA – reduced to 12K to account for the fact that the DOI does not meet qualifications under this grant. As there are not many other qualifying expenses except the Summit the revenue has been reduced from 84K to 12K. Carryover is available to FY11 and the school will need to meet qualifying expenses under this grant in FY11 totaling approximately \$150K to \$200K. I have attached a copy of the scope under NSLA grant.
- There are a number of other grants that have been budgeted and are awaiting approval or execution by the school before revenue can be recognized. These include ARRA IDEA \$80K; ARRA Title I \$77K; Title VI-B \$63K; Stabilization \$156K. The school is encouraged to diligently follow the approved plans within the grant period to make use of these restricted funds.
- The building costs paid to date are \$3,318,574. \$3,300,000 has been funded through loans and donations. The budget contains \$100K for additional costs of which \$18K has been spent.
- Other accounts in the forecast column are based on expenses through April and projecting out the remaining school year.

Jacksonville Lighthouse Charter School  
Statement of Financial Position

	comment	4/30/10
<b>Assets</b>		
Cash		\$ 501,472
Accounts Receivable		6,000
Land and Building		3,318,574
Leased Computer Equipment		104,266
<b>Total Assets</b>		<b><u>\$ 3,930,312</u></b>
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expense		\$ 232,173
Line of Credit-FBAT		-
Deferred Revenue		-
<b>Total Current Liabilities</b>		<b><u>232,173</u></b>
<b>Long Term Liabilities</b>		
Capital Lease		104,266
Loan Payable-LHA		400,000
Loan Payable-SFP		1,700,000
Loan Payable-LISC		996,894
<b>Total Long Term Liabilities</b>		<b><u>3,201,160</u></b>
<b>Total Liabilities</b>		<b><u>3,433,333</u></b>
<b>Net Assets</b>		
Temporarily Restricted Net Assets		25,000
Unrestricted Net Assets		471,979
<b>Total Net Assets</b>		<b><u>496,979</u></b>
<b>Total Liabilities and Net Assets</b>		<b><u>\$ 3,930,312</u></b>

A		D		E	F	G	H	I	J	K	M	N	P	Q
1 Jacksonville Lighthouse Charter School 2 Statement of Activities				One Month Ended 4/30/10			Ten Months Ended 4/30/10			Annual Budget - per amendment #4 passed Jan 2010		remaining	forecast	Proposed Amendment #4
6		COMMENTS		One Month - Actual	One Month - Budget	Variance	Actual	Budget	Variance					
10 Revenue														
11 Per Pupil		\$ 164,249	\$ 166,425	\$ (2,176)	\$ 1,668,604	\$ 1,664,252	\$ 4,352	\$ 1,997,102	\$ (328,498)	\$ 1,992,750	\$ (4,352)			
12 Special Education		-	4,167	(4,167)	-	41,667	(41,667)	50,000	(50,000)	-	(50,000)			(50,000)
13 Enhanced Educational Funding		974	905	69	8,911	9,049	(138)	10,859	(1,948)	12,807	(1,948)		12,807	1,948
14 Title I		20,685	8,691	11,994	20,685	86,913	(66,228)	104,295	(83,610)	76,275	(83,610)		76,275	(28,020)
15 Title II(a)		393	393	0	3,930	3,929	1	4,715	(785)	4,715			4,715	
16 Title IV		-	47	(47)	-	469	(469)	563	(563)	-			-	(563)
17 PCSP		-	-	-	440,000	440,000	-	440,000	-	440,000			440,000	-
18 State Prof Dev Funds		1,185	1,185	-	11,850	11,850	-	14,220	(2,370)	14,220			14,220	-
19 NSLA		13,971	13,971	-	55,884	55,884	-	83,826	(27,942)	12,000			12,000	(71,826)
20 ARRA Stimulus Title I		-	12,792	(12,792)	-	12,792	(12,792)	76,749	(76,749)	76,749			76,749	-
21 ARRA IDEA		-	-	-	-	-	-	-	-	80,864			80,864	-
22 Title VI-B		-	-	-	-	-	-	-	-	63,186			63,186	-
23 Federal Stabilization Funds		-	-	-	-	-	-	-	-	156,000			156,000	-
24 Pathwise Mentor Grant		-	-	-	15,400	-	15,400	-	15,400	15,400			15,400	-
25 Proceeds for Leased Capital Equipment		-	-	-	104,266	105,000	(734)	105,000	(734)	105,000			105,000	-
26 Food Program-Claims		7,509	5,161	2,348	59,667	41,290	18,377	51,613	8,054	69,613			69,613	18,000
27 Food Program-Student Collections		2,265	2,500	(235)	20,875	20,000	875	25,000	(4,125)	25,000			25,000	-
28 Student Activity Fees		954	833	121	6,210	8,333	(2,123)	10,000	(3,790)	6,500			6,500	(3,500)
29 Sale of Uniforms		-	2,167	(2,167)	19,149	21,667	(2,518)	26,000	(6,851)	20,000			20,000	(6,000)
30 Fundraising Activities		-	417	(417)	2,886	4,167	(1,280)	5,000	(2,114)	5,000			5,000	-
31 Private Contributions		-	4,417	(4,417)	27,941	44,167	(16,225)	53,000	(25,059)	53,000			53,000	-
32 After school Program Fees		-	757	(757)	9,408	7,574	1,834	9,089	319	10,000			10,000	911
33 Total Revenue		212,185	224,827	(12,642)	2,475,666	2,579,002	(103,336)	3,067,031	(591,365)	3,239,079			3,239,079	172,048
36 Operating Expenses														
38 Payroll-Administrative														
39 Principal		6,923	7,586	663	74,769	75,172	403	90,000	15,231	90,000			90,000	-
40 Director of Instruction		3,333	5,479	2,146	44,654	54,291	9,637	65,000	20,346	56,000			56,000	(9,000)
41 Dean of Students		1,731	1,686	(45)	4,320	16,705	12,384	20,000	15,680	8,000			8,000	(12,000)
42 Business Manager		3,462	3,793	332	37,529	37,586	57	45,000	7,471	45,000			45,000	-
43 Admin Assistant		2,225	2,360	136	22,091	23,387	1,295	28,000	5,909	28,000			28,000	-
44 Total Payroll-Administrative		17,673	20,904	3,231	183,365	207,142	23,777	248,000	64,635	227,000			227,000	(21,000)
46 Basic Education														
47 Classroom Teacher Salaries		35,797	38,690	2,892	371,471	369,310	(2,161)	459,000	87,529	465,000			465,000	6,000
48 Classroom Teacher Perf. Bonuses		-	-	-	-	-	-	25,000	25,000	25,000			25,000	-
49 Teacher Leader Fellow Stipend		485	-	(485)	485	8,046	7,561	10,000	9,515	10,000			10,000	-
50 Teacher Assistants		2,000	1,686	(314)	17,617	16,092	(1,525)	20,000	2,383	20,000			20,000	-
51 Substitutes		1,393	1,180	(212)	8,575	11,264	2,690	14,000	5,426	14,000			14,000	-
52 Total Teaching Salaries		39,674	41,556	1,881	398,148	404,713	6,565	528,000	129,852	534,000			534,000	6,000
54 Specialists														
55 Total Specialists		6,762	6,771	10	73,556	64,636	(8,921)	80,333	6,777	94,000			94,000	13,667
56 Total Specialists		6,762	6,771	10	73,556	64,636	(8,921)	80,333	6,777	94,000			94,000	13,667
58 Title I														
59 Title I Staff		5,000	6,322	1,322	22,500	60,345	37,845	75,000	52,500	32,500			32,500	(42,500)
60 Total Teaching Salaries		5,000	6,322	1,322	22,500	60,345	37,845	75,000	52,500	32,500			32,500	(42,500)
62 Special Education														
63 Special Education Teachers		2,769	3,034	265	28,800	28,966	165	36,000	7,200	36,000			36,000	-
64 Total Teaching Salaries		2,769	3,034	265	28,800	28,966	165	36,000	7,200	36,000			36,000	-
66 Service Providers-Other Staff														
67 Nurse		1,020	1,349	329	9,359	12,874	3,515	16,000	6,642	11,399			11,399	(4,602)
68 Family Coordinator		-	-	-	1,000	-	(1,000)	-	(1,000)	2,000			2,000	2,000
69 Total Service Providers-Other Staff		1,020	1,349	329	10,359	12,874	2,515	16,000	5,642	13,399			13,399	(2,602)



	A	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
				One Month Ended 4/30/10			Ten Months Ended 4/30/10			Annual Budget - per amendment #4 passed Jan 2010		remaining		forecast		Proposed Amendment #4
			COMMENTS	One Month - Actual	One Month - Budget	Variance	Actual	Budget	Variance							
144	Interest Expense-Line of Credit			-	200	200	933	2,000	1,067			2,400	1,467		933	(1,467)
145	Total Other Expenses			1,240	5,475	4,235	52,760	63,117	10,357			74,900	22,140		61,533	(13,367)
146																
147	Total Expenses			162,771	168,652	5,881	2,128,978	2,298,495	169,517			2,895,728	766,749		3,099,416	203,688
148																
149	<b>Operating Income (Revenue)</b>			49,414	56,175	(6,761)	346,688	280,506	66,181			171,303	175,384		139,663	(31,640)
150																
151																
152	Debt Service on Facility Loans															
153	Facility Loans - LISC and SFP			8,979	12,088	3,110	72,672	145,060	72,388			145,060	72,388		112,672	(32,388)
154	Lighthouse Academies Inc		Defer repayment	-	-	-	-	-	-			-	-		-	-
155	Total Debt Service-Facility Loans			8,979	12,088	3,110	72,672	145,060	72,388			145,060	72,388		112,672	(32,388)
156																
157																
158	Net Income (Loss)			40,435	44,087	(3,651)	274,016	135,446	138,569			26,243	247,773		26,991	748
159																
160																
161	Beginning Balance						(4,730)	(4,730)	(0)			(4,730)	(0)		(4,730)	-
162																
163	Ending Balance						269,285	\$ 130,716	\$ 138,569			\$ 21,513	\$ 247,772		22,261	748
164																
165	convert to GAAP															
166	Add back fixed assets beginning, net of loans						202,694									
167																
168	GAAP - Net Assets Unrestricted						\$ 471,979									

- IDEA (IPT-Idea Proficiency Test);
- Woodcock-Munoz;
- Maculaitis Assessment of Competencies; and
- Language Assessment Battery.

ELL funding shall be expended for the following eligible activities:

1. Salaries for ELL-skilled instructional services (not supplanting district financial obligations for providing teachers for ELL students).
2. Funds for teacher training, consultants, workshops, and ELL course work, including Department sponsored training programs.
3. Released-time for planning program selection, and ELL program development.
4. Selection and purchase of language-appropriate instructional and supplemental (enrichment) materials for ELL students (including computer-assisted technology and library materials).
5. Counseling services, community liaison staff with language and cultural skills appropriate to the ELL population.
6. Assessment activities, which address identification, placement, and review of ELL student academic progress, as well as evaluation activities to determine the effectiveness of the district's ELL program.

### **National School Lunch Act Funding (NSLA)**

NSLA funding shall be expended for eligible program(s) that are researched based and aligned to the Arkansas Content Standards for improving instruction and increasing achievement of NSLA identified students at risk of not meeting challenging academic standards either existing or new.

NSLA funding shall not be used to meet or satisfy the Arkansas Standards for Accreditation required by Ark Code Ann. § 6-15-201 et. seq. and the Arkansas Minimum Teacher Salaries required by Ark. Code Ann. § 6-17-2403 except as otherwise allowed in the Rules Governing the Distribution of Student Special Needs Funding.

NSLA funding shall not be used to augment, replace or supplement the requirements of the Arkansas Standards for Accreditation required by Ark. Code Ann. § 6-15-201 et. seq. and the Arkansas Minimum Teacher Salaries required by Ark. Code Ann. § 6-17-2403 unless the expenditure is for purposes outlined under Section 6.07 of the Rules.

Program uses and/or purposes listed below are subject to review and modification by the ADE. Please reference new State Board of Education rules and regulations governing the use of these funds.

1. Employing Instructional Facilitators (Literacy and/or Mathematics and/or Science and/or Social Studies Specialists/Coaches) for grades K-12. The instructional facilitators are educators who assist in curriculum alignment with state curriculum documents; alignment of classroom assessment with statewide exams; instructional strategies; professional development and implementation of training; choosing standards-based instructional materials; understanding of current research; advantageous arrangement of the instructional day; and integrating technology into instruction. The qualifications for instructional facilitators in grades K-12 are
  - At least three years of recent teaching experience in appropriate content areas within grades Kindergarten through Twelve;

- Knowledge of Arkansas Curriculum Framework;
  - Knowledge of current research and effective practices in standards-based curriculum, instruction, and assessment;
  - Experience in adult learning situations and in team problem solving; and
  - A bachelor's degree (a master's degree would be preferred);
2. Providing research-based professional development in the areas of Literacy and/or Mathematics and/or Science (K-12) as defined in the ADE Regulations Governing Attendance at Certified Instructional Professional Development Sessions (Ark. Code Ann. § 6-17-702., -6.05.3 Employing highly qualified classroom teachers: K-12);
  3. Providing research-based before and after-school academic programs, including transportation to and from the programs;
  4. Providing research-based pre-kindergarten programs coordinated by the Division of Childcare and Early Childhood Education, Department of Human Services;
  5. Employing Tutors that must
    - Be able to demonstrate competency (as determined locally) in each area where instruction is provided; and
    - Work under the supervision of highly qualified teachers;
  6. Employing Teacher's aides who must
    - Be highly qualified; and
    - Work under the direct supervision of highly qualified teachers;
  9. Employing certified counselors, licensed social workers and/or nurses
  10. Employing Curriculum Specialists that shall meet current licensure requirements outlined in the "Rules Governing Initial and Standard Administrator Licensure."
  11. Providing summer programs that employ research-based methods and strategies;
  12. Providing parent education;
    13. Providing early intervention programs. Early intervention means short-term, intensive, focused individualized instruction developed from ongoing, daily, systematic diagnosis that occurs while a child is in the initial, kindergarten through grade one (K-1), stages of learning early reading, writing, and mathematical strategies to ensure acquisition of the basic skills and to prevent the child from developing poor problem-solving habits which become difficult to change;
  14. Obtaining materials, supplies, and equipment, including technology, used in approved instructional programs or for approved purposes. The approved programs and or purposes support the local educational agency's school improvement plan; or
  15. Other activities approved by the ADE.

**Use of these funds shall be included within the school and/or district's ACSIP. The ACSIP must include how the funds will be spent, the person(s) responsible, a timeline, and a budget.**

The district shall

- Evaluate programs supported by NSLA funds annually to ensure that the programs are providing intervention/prevention services designed to increase student achievement; and
- Maintain documentation that supports gains in student achievement as measured by the state assessment system.

NSLA funding may be carried over, but shall remain restricted to priority areas as defined in this Rule. NSLA funding is restricted state aid, except as otherwise allowed by law or Rule.

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- A. Total amount of NSLA funds held in balance by a school district; total amount of current year NSLA funds received by the district; total amount of current year NSLA funds applied to any bonus or salary of an employee of the district; names of those employees of the district who will receive a bonus or increase in salary from NSLA funds; percent of current year and total NSLA funds used as a bonus for classroom teachers;
- B. A listing of all programs and actions and purpose of the programs which were funded by current year NSLA funds and funded by reserve or carry forward NSLA funds;
- C. Staffing charts listing individual employees and their certification levels used to support the listed NSLA programs;
- D. A listing of the targeted participants of each NSLA program along with the targeted curriculum content area(s) to be addressed by the NSLA programs;
- E. Specific objectives for each NSLA programs;
- F. An outline of how the district will measure and monitor the performance of NSLA programs;
- G. Specific measurement outcomes of each of the NSLA programs;
- H. A report stating whether the district is in academic distress or failing to make adequate yearly progress (AYP); and
- I. If failing to make AYP, specify which subgroups are failing and how the district is using NSLA funds to address such failures.

**FOR GUIDANCE REGARDING THE EXPEDITURE OF NSLA FUNDS FOR SALARIES AND/OR BONUS, SEE ADE'S "RULES GOVERNING THE DISTRIBUTION OF STUDENT SPECIAL NEEDS FUNDING AND THE DETERMINATION OF ALLOWABLE EXPENDITURES OF THOSE FUNDS" DATED SEPTEMBER OF 2007, SECTIONS 6.11 AND 6.12**

### **Professional Development Funding**

Professional development funding shall be expended for approved programs and purposes identified in the Rules Governing the Arkansas Comprehensive Testing, Assessment and Accountability Program and the Academic Distress Program, section 5.0 "Professional Development" and employing literacy, mathematics, or science coaches as described in this Rule.

Districts may expend state professional development funding to provide the requisite hours of professional development required by rule or law.

Professional development funding is restricted state aid. Professional development funding shall be spent on activities identified in ADE Rules Governing the Distribution of Student Special Needs Funding for School Year 2004-2005 (revised 2007-2008) except as otherwise allowed by law or other rules.

Professional development funding may be carried over, but shall remain restricted to priority areas as defined in the Rules Governing the Arkansas Comprehensive Testing, Assessment and Accountability Program and the Academic Distress Program.



Jacksonville Lighthouse Charter School  
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