American Leadership Academy
Additional information regarding the New Site Notification Request

The Board has asked for additional information regarding two financial ratios that did not meet standards at June 30, 2012.

The liability to equity ratio of 8.98 at June of 2012 as improved to 3.83 (see table below) at May, 2013. This was accomplished by net income of 1.9 million dollars being added to equity, while debt has remained steady, increasing only 5% as a result of normal business activity. This ratio now meets Board standards.

	Actual May, 2013	June estimate
Total Liabilities	12,347,227	12,372,000
Equity	3,227,321	3,227,000
Ratio	3.83	3.83

As a result of our net income mentioned above, the unrestricted day's cash ratio has improved. Based on the May balances, we project that we will have 31.72 day's cash on hand at June 30, 2013 (see table below). This ratio will meet Board standards at June 30, 2013.

Total expenses	15,190,000
	365
Daily expenses	41,616
Cash balance	1,320,000
Days cash on hand	31.72

ALA Anthem

2013-14	2013-14
REVENUE	**440** Number of Students
Actual 40-Day ADM 2013-14	**400.000**
TOTAL STUDENT ENROLLMENT K-12	440.000
ACTUAL KG	80
ACTUAL ADM K-8	**400.000**
ACTUAL ADM 9-12	-
TOTAL STATE EQUALIZATION	**$ 2,488,986**
Equalization Adjustments:	
State - Prop 301 Classroom Site Fund	**$ 114,581**
Local - E-Rate Funding Commitment	**$ 11,691**
Local - Contract Bus Service	**$ -**
Local - Revenues from School Programs/Activities	**$ 67,400**
Intermediate - Special Projects	**$ -**
Carryover	
Total Revenue	**$2,682,658**
Per Pupil Income	**$6,707**

	Local Income
$ 14,000	Activities
$ 8,500	School Lunch
$ 6,700	Uniforms
$ 15,000	Bus Fees
$ 6,500	Contributions
$ 16,700	Extracurricular
$ 67,400	Total

Expenses

Salaries	Total	#staff	Salaries	Benefits
1000 Regular Education Instruction	$ 757,496	24	$ 641,000	$ 116,496
1000 Special Education Instruction	$ 76,325	2	$ 61,000	$ 15,325
2400 School Administration	$ 208,603	4	$ 164,800	$ 43,803
2300 General Administration	$ -	0	$ -	$ -
2100 Student Support	$ 35,839	1	$ 28,000	$ 7,839
2600 Operation & Maintenance	$ 62,189	2	$ 56,000	$ 6,189
Total of Salaries and Benefits	**$1,140,452**	**33**	$ 950,800	$ 189,652

Instructional Support/Misc	
Travel	$2,000
Purchased Professional Services	$15,000
Purchased Services - SPED	$20,000
Instructional Aids/Books/Library	$150,000
Legal	$5,000
Auditor/Accounting Services	$0
Marketing	$15,000
Other (printing, postage)	$10,000
Total Instructional Support/Misc	**$217,000**

Operations & Maintenance	
Phone/Communications	$15,000
Custodial Services	$25,000
Advertising	$10,000
Property/Casualty Insurance	$19,000
Utilities	$65,000
Fees/Permits & dues	$8,000
Computer Equipment	$175,000
Furniture & Other Equipment	$54,000
Upgrades (Connectivity)	$5,000
Bus Maintenance/Fuel	$5,000
Facilities Maintenance	$10,000
Total Operations & Maintenance	**$391,000**

(Some Curriculum & furniture costs were financed in the lease of the facilities and are therefore not represented in the line items to the left)

Other Supplies	
Supplies	$30,000
Instructional Supplies	$70,000
Total Other Supplies	**$100,000**

Loans and Leases		#Pmts	Pmt Amt
Facilities lease	$361,000	8	$45,125
Total Loans and Leases	**$361,000**		

Federa / State Projects	
Total Federal / State Projects	**$0**
Total Expenditures	**$2,209,452**
Per Pupil Expences	**$5,021**
Total Revenues	**$2,682,658**
Budget Balance (Revenues-Expenditures)	**$473,206**

ALA Salary and Benefit Schedule

2013-14

Regular Instruction - 1000			Salary
K-1	Reg teacher		$ 36,000
K-1	Reg teacher		$ 36,000
KG Full Day	Reg teacher		$ 36,000
01	Reg teacher		$ 36,000
01	Reg teacher		$ 36,000
02	Reg teacher		$ 36,000
02	Reg teacher		$ 36,000
02	Reg teacher		$ 36,000
03	Reg teacher		$ 36,000
03	Reg teacher		$ 36,000
04	Reg teacher		$ 36,000
04	Reg teacher		$ 36,000
05	Reg teacher		$ 36,000
~~05~~ 06	Reg teacher		$ 36,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
Para Ed	Reg teacher		$ 15,000
		Subtotal	**$ 654,000**

Prop 301 Performance Pay	

Special Education - 1000			
Sped	SPED teacher		$ 36,000
ParaPro	SPED teacher		$ 25,000
		Subtotal	**$ 61,000**

School Admin - 2400			
Dir	Director		$ 60,000
AD	Assit Dir		$ 53,000
Office mgr	Office Mgr		$ 30,000
Rec	Rec		$ 21,800
		Subtotal	**$ 164,800**

General Admin - 2300			
		Total Admin	**$ -**

Full/Part-Time Support - 2100			
Bus/Lunch	Lunch		$ 28,000
		Subtotal	**$ 28,000**

Operations and Maintenance - 2600			
Maint	Custodian		$ 28,000
HS Janitor	Maintenance		$ 28,000
		Subtotal	**$ 56,000**
		Subtotal	**$ 963,800**

Tot Wage	$ 963,800
Tot Bens	$ 246,398
Total Wage/Bens	$ 1,210,198

Benefits percentage	0.2557

AMERICAN LEADERSHIP ACADEMY

Start-Up Budget ALA Anthem Explanation

To Whom it May Concern:

Attached is the start-up budget for the American Leadership Academy, Anthem project. Due to the nature of the project and its financing, we feel it requisite to provide additional detail prior to your review of the budget in order to facilitate your understanding of the project.

Facility Lease

American Leadership Academy, Inc. has entered into an agreement to lease the educational facilities being constructed at 4380 N Hunt Hwy, Florence, AZ. As components of this lease, ALA has negotiated the following terms:

- Lease payments will not begin until 3 months into the school year. The school will only pay 9 payments the first year at the regular monthly lease rate.
- Annual lease payments will not exceed 20% of per pupil operating revenue. For example, if there are 400 students enrolled and per pupil operating revenue is $5800, the lease may not exceed $38,666 per month.
- The lease will include curriculum and furniture purchases necessary to open a school. Estimated cost of curriculum and furniture is $317,000.
- All fees, permits, improvements, and building costs will be the responsibility of the developer; the school is only responsible for the lease payments.

Technology

We are pursuing an equipment lease through Dell for the technology requirements of the new campus. We anticipate the value of the lease to be $30,000 for computers and projectors with a monthly lease payment of $872.44.

Personnel

As a growing charter school, we centralize many of the processes necessary to operate the schools. This permits us to avoid many costs that would typically be associated with the campus. Most employees of a new campus do not enter the ALA payroll system until August 1st. All training is provided free-of-cost to the staff, but they must put in the time.

Revenue

Costs associated with opening a new campus are assumed by the ALA District organization.

Start-Up Budget

School Name: American Leadership Academy - Anthem Campus

Start-up Revenue				Total $	Timeframe for Acquisition	
Secured Funds - Private Donations						
Secured Funds - Loans						
Secured Funds - Other				$ 36,359.98		
Total Start-Up Revenue				$ 36,359.98		
Administration, Instruction, & Support (AIS) Expenditures	# 0f FTE Staff	at Salary	Required Employer Contributions per FTE	Total $	Timeframe for Acquisition	Terms for Payment (if after Aug 1)
Salaries						
Director/Principal	1	$35,000.00*	$ 114.69	$ 6,292.09	1-Jun-13	
Teacher-Regular Education	18	**		$ -	1-Jul-13	
Teacher-Special Education	1	**		$ -	1-Jul-13	
Clerical	1	$ 31,000.00	$ 101.57	$ 5,572.95	1-Jun-13	
Bookkepper/Finance	0	***		$ -		
Custodial/Maintenance	1	****		$ -	1-Jul-13	
Other				$ -		
Employee Benefits				$ -		
Employee Insurance (if providing)				$ 1,200.00		
Office Supplies				$ 3,300.00		
Instructional Consumables				$ -		
Membership Dues, Registrations, & Travel				$ -		
Contracted Services (AIS)				$ -		
Contracted Services (Special Education)				$ -		
Curriculum & Resource Materials				*****		
Library Resources/Software				$ -		
SAIS Software				$ 297.50		
Other				$ -		
Total Administration, Instruction, & Support				$ 16,662.54		
Operations & Maintenance (O&M) Expenditures						
Supplies				$ 3,000.00		
Marketing/Advertising				$ 6,500.00		
Contracted Services				$ 775.00		
Building Rent/Lease/Loan*******				$ 1,500.00		
Building & Improvements				$ -		
Land & Improvements				$ -		
Fees/Permits				$ -		
Property/Casualty Insurance				$ -		
Liability Insurance				$ 1,500.00		
Utilities (Electic, Gas, Water,Waste)				$ 1,000.00		
Phone/Communications/Internet Connectivity				$ 650.00		
Student Furniture & Equipment******				$ -		
Office Furniture & Equipment				$ 3,000.00		
Student Technology Equipment				$ -		
Office Technology Equipment				$ -		
Other Leases (Computers, Copiers, etc)				$ 1,772.44		
Loan Repayment				$ -		
Other				$ -		
Total Operations & Maintenance				$ 19,697.44		
Total Expenditures				$ 36,359.98		
Total Start-Up Revenues				$ 36,359.98		
Budget Balance				$ -		

* Our administrative team has been hired from our current teaching staff who are already being paid on their previous year contract. The amount shown here represents the difference between their administrative pay and their previous teacher pay. Only once the previous year teacher contract amount is paid in full will the full cost of administrator pay will be born by the campus (Aug 1).

** Salaries for instructional staff do not begin until Aug 1, therefore they represent no cost in the start-up budget. Teachers for new campuses are hired throughout the previous school year and summer year by the administration of other campuses as a part of their administrative responsibilities.
*** Financial matters are centralized at the ALA District Office eliminating the need for bookkeepers at each campus.
**** Maintenance needs are met by District personnel. Custodian pay for campus custian does not begin until Aug 1.
***** Cost for new curriculum is included in the lease price for the new facility. Estimated costs for curriculum are $226,908
****** Cost for new furniture is included in the lease price for the new facility. Estimated costs for curriculum are $90,000
******* Amount shown represents costs associated with temporary MobileMini enrollment trailer. See cover letter for info on actual facility lease.