November 21, 2013

Responses to Financial Performance Response Evaluation Sheet

1a. Going Concern- Charter holder meets on this measure

1b. Unrestricted days cash.....The charter holder's response did not include any back up support for liquidity from a private party.

Please see attached....cash flow transactions from BDF Pension Inc. including wire transfers to the charter holder and payments back from the charter holder for 2013.

The unrestricted days cash on our Fiscal Year 2013 audit report will be approx 21.73....Although it does not meet the 30 days required, It is an improvement over our Fiscal Year 2012 audit of 21.48.....

Due to the high special education population at the charter holder's school, we incur expenses for consultants....(counselor $67,200)..(occupational therapist $22,000)..(speech therapist $27,000)....(physical therapist $6000) and (teachers/aides and assessments $90,000).....

2b. Please see our Fiscal Year 2013 Audit

2c. Fixed Charge Coverage Ratio-will be higher on Fiscal Year 2013 audit

The charter holder financial picture for fiscal year 2013 is better. Although it does not meets the boards performance standards, the charter holder plans to move it's payroll processing "in house" at a savings of over $5,000 a year. Our overall expense reduction from 2012 to 2013 is 4.6%.....

FOUNDING FATHERS ACADEMIES INC.

dba

JEFFERSON ACADEMY

40 South 11th Street Show Low Arizona 85901 (928) 537-5432

November 22, 2013

To whom it may concern:

From time to time (approx five times in the 2012-2013 school year) BDF Pension Plan has been a source of cash flow lending to Founding Fathers Academies. This cash flow was for the schools payroll dated the 20th of the month.

The amounts were from $25,000 to $50,000 for a period of approximately 14-20 days with a 3% fee of the amount borrowed. Typically a check to reimburse BDF Pension Plan is made out within a few days of the loan for the amount borrowed plus the 3% service fee dated for the 1st of the following month and given to BDF Pension Plan. The check is typically cashed within the first 5 days of month the check is dated for. The funds are always wired from BDF Pension Fund to Founding Fathers Account in Chase Bank.

The agreement of the loan is always verbal between Sandy Stewart and BDF Pension plan based upon the need of Founding Fathers and the ability to repay the loan at the beginning of the following month.

Attached are bank statements showing the wire transfers and copies of the checks repaying the loans plus 3%.

I hope this letter explain sufficiently explain our main source of liquidity from a private party.

Sincerely,

Sandy Stewart

CHASE

January 01, 2013 through January 31, 2013
Primary Account:

CONSOLIDATED BALANCE SUMMARY *(continued)*

CREDIT CARDS, LOANS & LINES OF CREDIT

	ACCOUNT	AVAILABLE CREDIT	BALANCE
Loans & Lines of Credit			
~~Chase Business Line of Credit~~	~~**********1009~~	$0.00	~~$[illegible]~~
~~Chase Business Loan~~	~~**********1001~~		0.00
Total		**$0.00**	~~$[illegible]~~
TOTAL CREDIT CARDS, LOANS & LINES OF CREDIT		**$0.00**	~~$[illegible]~~

All Summary Balances shown are as of January 31, 2013 unless otherwise stated. For details of your retirement accounts, credit accounts or securities accounts, you will receive separate statements. Balance summary information for annuities is provided by the issuing insurance companies and believed to be reliable without guarantee of its completeness or accuracy.

CHASE NONPROFIT BUSINESS CLASSIC

FOUNDING FATHERS ACADEMIES INCJEFFERSON ACADEMY

Account Number: ~~[illegible]~~

CHECKING SUMMARY

	INSTANCES	AMOUNT
Beginning Balance		[redacted]
Deposits and Additions	9	[redacted]
Checks Paid	34	[redacted]
ATM & Debit Card Withdrawals	25	[redacted]
Electronic Withdrawals	28	[redacted]
Fees and Other Withdrawals	3	[redacted]
Ending Balance	99	[redacted]

Your monthly service fee was waived because you maintained an average checking balance of $4,000 or more during the statement period.

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
01/02	[redacted]	[redacted]
01/09	[redacted]	[redacted]
01/11	[redacted]	[redacted]
01/16	~~Insufficient Funds Fee Refund~~	~~[illegible]~~
01/17	Fed Wire Credit Via: National Bank of Arizona/122105320 B/O: B D & F Enterprises Inc Show Low AZ 85901-3565 85901 Ref: Chase Nyc/Ctr/Bnf=Founding Fathers Academies Inc Show Low AZ 85901-/Ac-000000006451 Rfb=O/B Natl Bk Tucs Bbi=/Time/12:17 Imad: 0117L4B74B3C000621 Trn: 2815809017Ff	50,000.00
01/22	~~Paychex Rcx Payroll 4843830000002X CCD ID: 1161124166~~	

5

FOUNDING FATHERS ACADEMIES INC.
JEFFERSON ACADEMY
40 South 11th Street
Show Low, AZ 85901
928-537-5432

CHASE BANK, NA
Phoenix, Arizona 85073
81-2/1221

11651

2/1/2013

PAY TO THE ORDER OF B D. F. Inc Pension Plan $ **51,500 00

Fifty-One Thousand Five Hundred and 00/100********** DOLLARS

B. D F. Inc Pension Plan

FOUNDING FATHERS ACADEMIES INC.

MEMO

009890465396 FEB 05 #0000011651 $51,500.00

CHASE

February 01, 2013 through February 28, 2013
Primary Account: [redacted]

CHASE NONPROFIT BUSINESSCLASSIC

FOUNDING FATHERS ACADEMIES INCJEFFERSON ACADEMY

Account Number [redacted]

CHECKING SUMMARY

	INSTANCES	AMOUNT
Beginning Balance		[redacted]
Deposits and Additions	9	[redacted]
Checks Paid	20	[redacted]
ATM & Debit Card Withdrawals	15	[redacted]
Electronic Withdrawals	46	[redacted]
Fees and Other Withdrawals	3	[redacted]
Ending Balance	**93**	[redacted]

Your monthly service fee was waived because you maintained an average checking balance of $4,000 or more during the statement period.

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
02/01	[redacted]	[redacted]
02/01	[redacted]	[redacted]
02/13	[redacted]	[redacted]
02/15	Fedwire Credit Via: National Bank of Arizona/122105320 B/O: B D & F Enterprises Inc Show Low AZ 85901-3565 85901 Ref: Chase Nyc/Ctr/Bnf=Founding Fathers Academies Inc Show Low AZ 85901-/Ac-000000006451 Rfb=O/B Natl Bk Tucs Bbi=/Time/12:27 Imad: 0215L4B74B3C000886 Trn: 3303409046Ff	50,000.00
02/21	[redacted]	[redacted]
02/22	[redacted]	[redacted]
02/28	[redacted]	[redacted]
02/28	[redacted]	[redacted]
02/28	[redacted]	[redacted]
Total Deposits and Additions		[redacted]

11691

FOUNDING FATHERS ACADEMIES INC.
JEFFERSON ACADEMY
40 South 11th Street
Show Low, AZ 85901
928-537-5432

CHASE BANK, NA
Phoenix, Arizona 85073
91-2/1221

3/1/2013

PAY TO THE ORDER OF B D. F Inc Pension Plan

$ **51,500 00

Fifty-One Thousand Five Hundred and 00/100********** DOLLARS

B D F Inc Pension Plan

FOUNDING FATHERS ACADEMIES INC.

MEMO

001070434106 MAR 05 #0000011691 $51,500.00

CHASE

March 01, 2013 through March 29, 2013
Primary Account: [redacted]

CHASE NONPROFIT BUSINESSCLASSIC

FOUNDING FATHERS ACADEMIES INCJEFFERSON ACADEMY

Account Number: [redacted]

CHECKING SUMMARY

	INSTANCES	AMOUNT
Beginning Balance		[redacted]
Deposits and Additions	13	[redacted]
Checks Paid	23	[redacted]
ATM & Debit Card Withdrawals	14	[redacted]
Electronic Withdrawals	24	[redacted]
Fees and Other Withdrawals	5	[redacted]
Ending Balance	79	[redacted]

Your monthly service fee was waived because you maintained an average checking balance of $4,000 or more during the statement period.

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
03/01	[redacted]	[redacted]
03/01	[redacted]	[redacted]
03/04	[redacted]	[redacted]
03/08	[redacted]	[redacted]
03/12	[redacted]	[redacted]
03/13	[redacted]	[redacted]
03/18	[redacted]	[redacted]
03/18	Fedwire Credit Via: National Bank of Arizona/122105320 B/O: B D & F Enterprises Inc Show Low AZ 85901-3565 85901 Ref: Chase Nyc/Ctr/Bnf=Founding Fathers Academies Inc Show Low AZ 85901-/Ac-000000006451 Rfb=O/B Natl Bk Tucs Bbi=/Time/12:41 Imad: 0318L4B74B3C000649 Trn: 2762409077Ff	50,000.00
03/18	[redacted]	[redacted]
03/19	[redacted]	[redacted]
03/19	[redacted]	[redacted]
03/25	[redacted]	[redacted]
03/26	[redacted]	[redacted]
Total Deposits and Additions		[redacted]

FOUNDING FATHERS ACADEMIES INC.
JEFFERSON ACADEMY
40 South 11th Street
Show Low, AZ 85901
928-537-5432

CHASE BANK, NA
Phoenix, Arizona 85073
91-2/1221

11695

4/1/2013

PAY TO THE ORDER OF B D. F. Inc Pension Plan $ **51,500.00

Fifty-One Thousand Five Hundred and 00/100********** DOLLARS

B D F Inc Pension Plan

FOUNDING FATHERS ACADEMIES INC.

MEMO

SECURITY FEATURES INCLUDED DETAILS ON BACK

004790879236 APR 05 #0000011695 $51,500.00

CHASE

March 30, 2013 through April 30, 2013
Primary Account: [redacted]

CHASE NONPROFIT BUSINESSCLASSIC

FOUNDING FATHERS ACADEMIES INCJEFFERSON ACADEMY

Account Number: [redacted]

CHECKING SUMMARY

	INSTANCES	AMOUNT
Beginning Balance		[redacted]
Deposits and Additions	7	[redacted]
Checks Paid	46	[redacted]
ATM & Debit Card Withdrawals	16	[redacted]
Electronic Withdrawals	34	[redacted]
Fees and Other Withdrawals	2	[redacted]
Ending Balance	**105**	[redacted]

Your monthly service fee was waived because you maintained an average checking balance of $4,000 or more during the statement period.

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
[redacted]	[redacted]	[redacted]
04/04	[redacted]	[redacted]
04/04	[redacted]	[redacted]
04/11	[redacted]	[redacted]
04/17	Fedwire Credit Via: National Bank of Arizona/122105320 B/O: B D & F Enterprises Inc Show Low AZ 85901-3565 85901 Ref: Chase Nyc/Ctr/Bnf=Founding Fathers Academies Inc Show Low AZ 85901-/Ac-000000006451 Rfb=O/B Natl Bk Tucs Bbi=/Time/14:27 Imad: 0417L4B74B3C001226 Trn: 3653309107Ff	35,000.00
04/18	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
Total Deposits and Additions		[redacted]

CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
4118 ^		04/01	$52.26
4121 * ^		04/12	80.00
4123 * ^	04/11	04/11	199.95
4124 ^	04/11	04/11	179.00
4125 ^	04/11	04/11	339.99
4127 * ^		04/12	51.33
4128 ^		04/16	1,600.00
4129 ^		04/24	190.00
4130 ^		04/29	22.00
11666 * ^		04/11	2,454.55

11731

FOUNDING FATHERS ACADEMIES INC.
JEFFERSON ACADEMY
40 South 11th Street
Show Low, AZ 85901
928-537-5432

CHASE BANK, NA
Phoenix, Arizona 85073
91-2/1221

5/1/2013

$ **36,750 00

PAY TO THE ORDER OF B D. F. Inc Pension Plan DOLLARS

Thirty-Six Thousand Seven Hundred Fifty and 00/100**********

B D F. Inc Pension Plan

FOUNDING FATHERS ACADEMIES INC.

MEMO

SECURITY FEATURES INCL DETAILS ON BACK

004790861545 MAY 03 #0000011731 $36,750.00