

New Alternative Education High School of Miami Dade County – North Miami
C/o Mavericks In Education Florida, LLC
301 Southern Boulevard
West Palm Beach, FL 33405

October 12, 2010

Helen S. Blanch, Assistant Superintendent
School Choice

Mr. Jose F. Montes de Oca
Chief Auditor
Management and Compliance Audits

Ref: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010 AND FINANCIAL
CONDITION PURSUANT TO FS 218.503

Attached is our revised plan and attachments based on the email inquiry from Jon Goodman of October 5. The October FTE count in the projection was reduced to an estimated 390. Our current enrollment is at approximately 370 and we will continue to add students this week prior to the finalization of the FTE count. We have also reduced the estimate for the second count to 460, enrollment we feel comfortable with attaining. The management fee will also be reduced to 12% to provide additional financial support to the school should this need arise.

This plan is submitted by management with the concurrence of the governing of the New Alternative Education High School of Miami Dade County – North Miami.

Respectfully,



Michael H. Rosen, CFO
Mavericks In Education Florida, LLC

SPECIFIC ITEMS TO CORRECT THE CONDITIONS CITED:

It is imperative to increase enrollment in time for the October FTE count. We currently have approximately 370 students enrolled. This increase will help us stabilize revenues and allow us to better provide for our expenses without seeking funding from our ESP.

We are continuing our marketing program at the school and our outreach programs. We are working towards 500 students enrolled by February. For projection purposes we have assumed 390 students at October and 460 at February. On the average, enrollment numbers that we feel comfortable that we will attain.

We have instituted a hiring freeze to only hire required staff in order to meet State and District requirements.

The management company has agreed to reduce its management fee to 12% in FY 2011 and 15% in FY 2012.

The budget has been revised for these changes. The revised projection provides over \$280,000 to repay outstanding indebtedness over the next two years. The Governing Board will also authorize funding available from its South Miami to use for operations or repayment of debt as needed. The ESP continues to be willing to extend the payment terms for amounts due until the school is in a position to repay the funds advanced.

Attachments

1. Summary Budget Projection FY 2011 and FY 2012 reflecting reduced enrollment
2. Revised Detailed Budget FY 2011 reflecting reduced enrollment
3. Projection FY 2012 Detailed

Mavericks High North Miami
Budget Projection
July 2010 through June 2012

	FY 2010 Actual - Per Audit		FY 2011 Submitted Budget 500 Students		FY 2011 390 (Oct) 460 (Feb) at Student		FY 2012 Projected Budget 500 Students	
	TOTAL	% of Revenue	TOTAL	% of Revenue	TOTAL	% of Revenue	TOTAL	% of Revenue
Total Income	1,789,290.00	100%	2,825,013.00	100%	2,576,523.00	100%	2,792,533.00	100%
Expense								
Salaries and Related Costs	695,914.00	39%	1,153,080.00	41%	1,074,283.37	42%	1,154,018.00	42%
Management Co Fee / Startup Rm	425,475.00	24%	447,720.00	16%	300,000.00	12%	384,515.00	15%
Rent Expense	350,450.00	20%	350,040.00	12%	350,040.00	14%	350,040.00	13%
Other Operating Costs	644,449.00	36%	731,030.00	26%	731,673.00	28%	703,076.00	26%
Total Expense	2,116,288.00	118%	2,681,870.00	95%	2,455,996.37	95%	2,591,649.00	94%
Net Income	(326,998.00)	-18%	143,143.00	5%	122,526.63	5%	160,884.00	6%
Employee count								
Instructional					19		21	
Other					7		7	
Total					26		28	
Cumulative income FY 2011 and 2012 based on revisions and projection of FY2012							\$	283,411

**Mavericks High North Miami
Budget
FY 2011 - 360 to 460 Students**

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
3482000 · Sales	3,480.00
4310000 · FTE Income	2,500,043.00
4329000 · Startup Grant / Implementation	<u>75,000.00</u>
Total Income	<u>2,578,523.00</u>
 Gross Profit	 2,578,523.00
 Expense	
5000120 · Teachers Salaries	451,906.37
5000130 · Special Ed Teachers	72,320.00
5000150 · Teachers Aides	130,320.00
5000220 · Payroll Taxes	126,465.00
5000230 · Employee Benefits	16,589.00
5000310 · Payroll Processing Fee	13,289.00
5000315 · Employee Testing	1,560.00
5000520 · Curriculum & Student Materials	15,960.00
5000690 · Curriculum & Microsoft Licenses	85,680.00
6100130 · Family & Career Coordinator	69,045.00
6100310 · Consulting Serv for ESE Student	9,215.00
6100590 · Student Incentives & Rewards	15,960.00
6200160 · Data Enter Coordinator	28,080.00
6200390 · Student Events	7,080.00
6200590 · Student Uniforms	4,920.00
6200595 · Other Student Costs	2,640.00
6200620 · Library & Media Materials	2,040.00
6400330 · Travel & Lodging	
Lodging	2,000.00
Meals	1,000.00
Mileage Reimbursement	2,000.00
6400330 · Travel & Lodging - Other	<u>9,775.00</u>
Total 6400330 · Travel & Lodging	14,775.00
7000310 · Legal Fees	1,080.00
7000320 · Insurance Expense	
General Liability Insurance	16,440.00
7000320 · Insurance Expense - Other	<u>0.00</u>
Total 7000320 · Insurance Expense	16,440.00
7000740 · Miscellaneous Expense	240.00
7200310 · Management Co Fee/Startup Reimb	300,000.00
5% District Holdback	80,000.00
7300110 · Administrators	131,039.00
7300160 · Admission Coordinator/Secretary	61,750.00
7300310 · Contracted Bldg Ser/Security	52,437.00
7300360 · Equipment Rental	4,939.00
7300375 · Communication Services	
Cell Phone	600.00
Internet	33,360.00
Telephone	7,080.00
7300375 · Communication Services - Other	<u>0.00</u>
Total 7300375 · Communication Services	41,040.00
7300390 · Adv & Enrollment Promo / Print	6,000.00
7300510 · Office Supplies & Materials	15,206.00

Mavericks High North Miami
Budget
FY 2011 - 360 to 460 Students

	<u>TOTAL</u>
7300700 · Bank Service Charges	850.00
7400360 · Rent Expense	350,040.00
7400630 · Facility Bldg Improvements	1,200.00
7500310 · Annual Audit & Advisory Service	15,000.00
7790310 · Student Info Sys /Tech. Support	68,520.00
7790640 · Technology & Furniture	0.00
7790700 · Occupation Lic, Permits/ Other	15,000.00
7800300 · Student Bus Passes	71,520.00
7300370 · Postage & Shipping	600.00
7900430 · Utilities	
Electric	26,760.00
Waste Removal	4,320.00
Water	3,240.00
7900430 · Utilities - Other	<u>0.00</u>
Total 7900430 · Utilities	34,320.00
7900510 · Janitorial Maint / Supplies	35,001.00
7900810 · Ad Valorem Real Property Taxes	0.00
8100350 · Facility Maint & Repairs	62,000.00
8300000 · Implementation Grant Exps.	<u>0.00</u>
Total Expense	<u>2,432,066.37</u>
Net Ordinary Income	146,456.63
Other Income/Expense	
Other Expense	
9200730 · Interest Expense	<u>23,930.00</u>
Total Other Expense	<u>23,930.00</u>
Net Other Income	<u>-23,930.00</u>
Net Income	<u><u>122,526.63</u></u>

Mavericks High North Miami
 Projection
 FY 2012 - 500 Students

Number of Students	500
	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
3482000 · Sales	6,000.00
4310000 · FTE Income	2,746,533.00
4329000 · Startup Grant / Implementation	<u>0.00</u>
Total Income	<u>2,752,533.00</u>
Gross Profit	2,752,533.00
Expense	
5000120 · Teachers Salaries	456,836.48
5000130 · Special Ed Teachers	108,588.48
5000150 · Teachers Aides	134,654.52
5000220 · Payroll Taxes	141,141.00
5000230 · Employee Benefits	17,057.04
5000310 · Payroll Processing Fee	14,280.00
5000315 · Employee Testing	1,560.00
5000520 · Curriculum & Student Materials	15,960.00
5000690 · Curriculum & Microsoft Licenses	85,680.00
6100130 · Family & Career Coordinator	80,960.88
6100310 · Consulting Serv for ESE Student	3,240.00
6100590 · Student Incentives & Rewards	15,960.00
6200160 · Data Enter Coordinatior	28,080.00
6200390 · Student Events	7,080.00
6200590 · Student Uniforms	4,920.00
6200595 · Other Student Costs	2,640.00
6200620 · Library & Media Materials	2,040.00
6400330 · Travel & Lodging	
Lodging	2,400.00
Meals	1,200.00
Mileage Reimbursement	2,400.00
6400330 · Travel & Lodging - Other	<u>10,200.00</u>
Total 6400330 · Travel & Lodging	<u>16,200.00</u>
7000310 · Legal Fees	1,080.00
7000320 · Insurance Expense	
General Liability Insurance	16,440.00
7000320 · Insurance Expense - Other	<u>0.00</u>
Total 7000320 · Insurance Expense	<u>16,440.00</u>
7000740 · Miscellaneous Expense	240.00
7200310 · Management Co Fee/Startup Reimb	384,514.62
5% District Holdback	84,000.00
7300110 · Administrators	132,840.00
7300160 · Admission Coordinator/Secretary	66,000.00
7300310 · Contracted Bldg Ser/Security	47,880.00
7300360 · Equipment Rental	4,200.00
7300375 · Communication Services	
Cell Phone	600.00
Internet	31,692.00
Telephone	6,726.00
7300375 · Communication Services - Other	<u>0.00</u>
Total 7300375 · Communication Services	<u>39,018.00</u>
7300390 · Adv & Enrollment Promo / Print	6,000.00
7300510 · Office Supplies & Materials	15,000.00

Mavericks High North Miami
 Projection
 FY 2012 - 500 Students

	<u>TOTAL</u>
7300700 · Bank Service Charges	900.00
7400360 · Rent Expense	350,040.00
7400630 · Facility Bldg Improvements	1,200.00
7500310 · Annual Audit & Advisory Service	15,000.00
7790310 · Student Info Sys /Tech. Support	65,094.00
7790640 · Technology & Furniture	0.00
7790700 · Occupation Lic, Permits/ Other	5,000.00
7800300 · Student Bus Passes	67,944.00
7300370 · Postage & Shipping	600.00
7900430 · Utilities	
Electric	26,760.00
Waste Removal	4,320.00
Water	3,240.00
7900430 · Utilities - Other	<u>0.00</u>
Total 7900430 · Utilities	34,320.00
7900510 · Janitorial Maint / Supplies	36,000.00
7900810 · Ad Valorem Real Property Taxes	0.00
8100350 · Facility Maint & Repairs	66,360.00
8300000 · Implementation Grant Exps.	<u>0.00</u>
Total Expense	<u>2,576,649.02</u>
 Net Ordinary Income	 175,863.98
 Other Income/Expense	
Other Expense	
9200730 · Interest Expense	15,000.00
Total Other Expense	<u>15,000.00</u>
 Net Other Income	 <u>-15,000.00</u>
 Net Income	 <u><u>160,863.98</u></u>