



# RICHARD ALLEN LEADERSHIP ACADEMY

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September 27, 2010

Julio C. Miranda  
Assistant Chief Auditor  
Miami-Dade County Public Schools  
1450 NE 2<sup>nd</sup> Avenue, Room 415  
Miami, Florida 33132

**RE: Audited Financial Statements for the Fiscal Year Ended June 30, 2010 and Financial Condition Pursuant to FS 218.503**

Dear Mr. Miranda,

I am writing in response to the review of our audited financial statements for the period ended June 30, 2010. According to the review, The Richard Allen Leadership Academy (The Academy) meets condition (e):

(e) An unreserved or total fund balance or retained earnings deficit, or unrestricted or total assets deficit for which sufficient resources are not available.

Subsequent to the review, it has been required of The Academy to provide a corrective action plan. The plan must describe specific actions that will be taken to correct the conditions cited, and include a detailed budget that identifies realistic revenue projections and appropriations and describes actions to reduce or avoid cost and/or increase revenues. If the plan requires more than one year to correct the condition(s) delineated in F.S. 218.503, then the budgets should be provided for each year necessary to correct the conditions.

I have attached for your review and approval The Academy's 2010-2011 budget and budget narrative. It is our belief that the corrective actions already taken as well as those being proposed will result in a substantial improvement of The Academy's financial position for this academic year.

We sincerely hope that this corrective plan meets with your approval.

Sincerely,

  
Rev. Paul R. Wiggins  
Executive Director

Board of Directors  
Ms. Helen S. Blanch, Assistant Superintendent School Choice

Richard Allen Leadership Academy  
Corrective Action Plan  
2010-2011 Budget Narrative

**Revenues**

**Richard Allen Leadership Academy**

- The Academy has a total enrollment capacity of 108 students. For this academic year, we have conservatively budgeted for 102 students (94.5% of capacity).
- The Academy's prequalification package for NSLP has been approved and we will participate in training on October 4<sup>th</sup> & 5<sup>th</sup>. We anticipate approval and implementation by November 1<sup>st</sup>.
- Additional revenues included are: 1) approved funding from USAC E-Rate technology grant (\$10,593.00) and \$13,500 for meal receipts.

**Mount Hermon Community Education Corporation**

- The Corporation is in the process of launching a two-tiered annual fund campaign which will comprise the following:
  1. Individual donor campaign, with a realistic goal of \$37,500, will begin on October 15<sup>th</sup>.
  2. Small business donor campaign, with a realistic goal of \$60,000, will begin on November 1<sup>st</sup>.

**Expenses**

- The Executive Director manages the day-to-day operations of the Corporation (i.e. management oversight, planning & development, fund development initiatives, grant writing, relationship building, etc...). The \$38,500.00 shown as an FTE expense represents one-half of the director's salary. The other one-half is paid by the corporation. Upon the successful launch and success of the above noted campaigns, it is our intent to shift the remainder of FTE salary to the corporation.
- The principal manages the day-to-day operations of the Academy (\$70,000.00).
- The Accountant manages all fiscal functions as well as all related human resource functions (\$36,800).
- The Administrative Assistant/Registrar provides administrative support to the Principal and Executive Director as well as manages the registration and maintenance of student records (\$37,500.00).
- Combined instructional staff salaries (including benefits) plus other academic related expenses (i.e. classroom supplies, ESE cost, etc...) represent 46.6% of FTE. It is our goal to maintain a level of 45% - 50%.
- The combined cook and cook's assistant are necessary positions in preparation for the implementation of the NSLP.
- Use of facility cost is budgeted at \$60,000.00; down from \$72,500.00 the prior year.

- We have changed transportation vendors and have subsequently lowered our cost to \$36,310; down from \$48,600 the prior year.
- Food cost is budgeted at \$45,000.00 (we changed vendors); down from \$50,000.00 the prior year. As noted above, we anticipate that this cost will be offset this fiscal year with the receipt of NSLP funding.



