



**Technical Response Binder**

**2010-2011**

**7798 North 60<sup>th</sup> Street  
Milwaukee, WI 53223**

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Although not requested in the “Technical Review Response”, a revision has been made to the budget assumptions located in Book 1, Tab 4, Page 2. These changes can be found on the following page and are highlighted in red.

**REVISED**

**King's Academy School  
Operating Budget 2009-2010  
Proposed Budget 2010-2011**

**Budget Assumptions**

The assumptions outlined below are based in part on historical (actual) data and an estimated inflationary increase.

1. Per pupil revenue for the 2009-10 operating budget is for 164 full-time equivalent students and 14 part-time equivalent students (K4 at 60% of per pupil allocation). There is a 5% projected increase for the 2010-2011 proposed budget.
2. Unrestricted donations from Christ the King Baptist Church and its church members to be used for general operations.
3. Increased salaries by an average of 5%. **Salary Expense also incorporates the reinstatement of wages for personnel that incurred a reduction in pay in the 2009-10 academic year.**
4. Increased benefits by an average of 15%.
5. Increased rent by an average of 5%.
6. Includes purchase of new curriculum for the 2010-2011 school year.
7. Increased property insurance by 10%.
8. Increased lunch expense by 10%.
9. Increased transportation expense by 10%
10. Increased funding for professional development for staff.

**\* Revisions in Red**

**King's Academy currently has a Line of Credit with Christ the King Baptist Church. This line is its source of cash as needed to adequately cover any shortfalls that may occur during the fiscal year.**

## **School Management**

- **Changes to the financial policies and procedures manual as outlined below:**
  1. **Long range business and financial plan.**
  2. **Cash flow budgeting and reporting**
  3. **Generally Accepted Accounting Principles and their application for this institution.**
  4. **City of Milwaukee Charter School financial reporting requirements and procedures developed to comply with these requirements.**
  5. **Accounting and financial management qualifications and professional development requirements for affected staff.**
  
- **Conflict of Interest procedures for the board of directors and staff**

## Kings Academy Business Plan 2010 – 2013 School Years

### **Executive Summary:**

Formerly known as King's Academy Christian School, King's Academy was founded in 1999 by Rev. John W. McVicker, Sr. as a private, tuition based school affiliated with Christ the King Baptist Church. As King's Academy restructures as a charter school, it will remain located in the same community and will retain its original value of community service and high moral standards for its students. The school will continue to be housed in its state of the arts facility on the northwest side of Milwaukee.

King's Academy is located at 7798 North 60<sup>th</sup> Street in Milwaukee, Wisconsin. The school is housed in the 60,000 square foot Quality of Life Center (QLC) owned and operated by the Christ The King Development Corporation. The QLC has a full size gymnasium, library multi-media center, multi-purpose room, fitness center, art and science labs as well as a game room. The state of the art computer lab has 22 computers including one with the capability to train and instruct the entire class. The 24 classrooms are utilized by not only King's Academy, but also by the Samaritan Project Inc., a non-profit after school tutorial program. The Village Clinic which is a community based health and wellness center and the King's Cuisine Community Café is also housed in this facility.

Over the next three years, the staff of King's Academy will remain committed to educating all students to the highest level of academic achievement regardless of family background, socioeconomic level or gender. The school believes that all children can learn and demonstrate mastery over traditional subject matter such as English, Mathematics, Science and Social Studies. Staff will provide a rigorous academic program in a caring and nurturing environment. The staff at King's Academy will motivate, educate and elevate all students by promoting academic excellence and by enhancing their ability to function in society. As we move forward, we will increase professional development options for all staff. The professional development needs will be identified during each year through school improvement planning, monthly staff meetings, individual conferences, monitoring conferences, walkthroughs, surveys and data analysis.

King's Academy's will continue to provide an integrated literacy program across the curriculum that is designed to serve students in grades K4-8. The instructional program reflects the characteristics of the school's community and focuses on enhancing the intellectual, physical, emotional and social development of the students. This program is aligned with the Wisconsin Department of Public Instruction standards for curriculum as well as the state assessments.

Working collaboratively, we will increase parental involvement and promote partnerships while expanding the social, emotional and academic growth of our students. The staff believes that parents are an important part of their children's lives and must contribute to their academic success.

Kings Academy will continue to prepare our students to be responsible citizens, critical thinkers and life-long learners.

**Mission:**

The mission of King’s Academy is to educate all children by promoting academic excellence with a curriculum that will motivate, educate and elevate them to become productive citizens.

**Organization Summary:**

King’s Academy currently serves 175 students in grades K4-8. The projected enrollment for the 2010-2011 school year is 193 students ultimately reaching its maximum capacity of 200 students by the 2011-2012 academic year. The staff currently consist of one Principal, one part-time Assistant Principal, three Office Staff, one Food Service Manager, ten Classroom Teachers, one Reading Intervention Teacher, one Art Teacher, one Gym Teacher, one Music Teacher, four part-time Teacher Assistants and one Librarian. Additionally, we have an ongoing partnership with Aurora Health Care, Inc. who provides one onsite nurse.

Our goal as a charter school is to add additional personnel as outline in the table below.

2010-2011 - Year One Additions	Special Education Resource Teacher (Part-time) Professional Development New Curriculum Transportation
2011-2012 -Year Two Additions	Curriculum Generalist Special Education Resource Teacher (Full-time) Spanish Teacher Teacher Assistant
2012-2013 - Year Three Additions	No Additions

As we move forward, we will increase professional development options for all staff. The professional development needs will be identified during each year through school improvement planning, monthly staff meetings, individual conferences, monitoring conferences, walkthroughs, surveys and data analysis.

King’s Academy will continue to be governed by 12 board members from a variety of educational backgrounds and professional community service organizations. The board plays an integral role by providing their knowledge and expertise regarding the educational issues and operational procedures of the school.

The Parent Teacher Organization will continue to collaborate with the school and board in providing input and feedback that will promote a strong relationship between home and school.

**Market Analysis Summary:**

King’s Academy will continue to accept and serve all students regardless of race, ethnicity, socioeconomic status, sex, religion, national origin, pregnancy, sexual orientation, physical, emotional or learning disability and all other At-Risk students. Admission requirements are described in the Parent/Student Handbook.

To ensure a racial and ethnic balance our marketing strategies will continue to include all City of Milwaukee residences. Our marketing strategies will focus on advertisement such as newspapers, radio, flyers, networking, using the internet, and an informative website to support our efforts.

To achieve excellence in education, the parents will motivate, students will participate, teachers will educate, as we all work together to elevate.



<b>KING'S ACADEMY SCHOOL</b>					
<b>3 YEAR PROJECTED BUDGET</b>					
<b>2010-2013</b>					
	<b>09-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	
	<b>Operating</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
Student Count	<b>184</b>	<b>193</b>	<b>200</b>	<b>200</b>	
Per Pupil Revenue	<b>6442</b>	<b>7775</b>	<b>7775</b>	<b>7775</b>	
<b>Revenue</b>					
Per Pupil Revenue	\$ 1,110,601	\$ 1,500,575	\$ 1,555,000	\$ 1,555,000	1
Private Pay	19,500	-	-	-	
Scholarships from Ctk	15,000	-	-	-	
Lunch	2,992	2,992	2,992	2,992	
Lunch - Free & Reduced	71,560	71,560	71,560	71,560	
Transportation Revenue - MPS	36,935	-	-	-	
After School Program	-	-	-	-	
Donations	10,000	20,000	20,000	20,000	2
Field Trip Revenue	3,000	3,000	3,000	3,000	
Miscellaneous Donations	5,000	5,000	5,000	5,000	
<b>Total Revenue</b>	<b>\$ 1,274,588</b>	<b>\$ 1,603,127</b>	<b>\$ 1,657,552</b>	<b>\$ 1,657,552</b>	
<b>Expenses</b>					
Salaries	\$ 620,680	\$ 718,614	\$ 805,172	\$ 829,328	3
Benefits	175,871	202,252	232,590	267,478	4
Rent	133,872	140,566	147,594	154,974	5
Classroom Materials	28,000	45,000	30,000	30,000	6
Property Insurance	13,050	14,355	15,791	17,370	7
Lunch Program (Food/Milk)	34,831	38,314	42,145	46,360	8
Office Supplies	10,000	13,000	13,000	13,000	
Technology Upgrades	9,000	9,000	9,000	9,000	
Audit Fees	11,700	13,700	13,700	13,700	
Telephone	1,983	1,983	2,181	2,399	
Advertising	1,000	1,000	3,000	3,000	
Transportation Expense	128,507	141,358	155,494	171,043	9
Dues & Subscriptions	500	500	1,000	1,000	
Professional Development	500	30,000	30,000	30,000	10
Consultant Fees	23,000	23,000	40,000	40,000	11
Postage	2,500	2,500	2,500	2,500	
Interest Expense	3,000	3,000	2,000	1,000	
Miscellaneous	8,050	8,050	8,050	8,050	
<b>Total Expenses</b>	<b>\$ 1,206,044</b>	<b>\$ 1,406,192</b>	<b>\$ 1,553,218</b>	<b>\$ 1,640,202</b>	
<b>Net Income before Debt Service</b>	<b>\$ 68,544</b>	<b>\$ 196,935</b>	<b>\$ 104,334</b>	<b>\$ 17,350</b>	
<b>Debt Service Estimate</b>	<b>30,000</b>	<b>60,000</b>	<b>50,000</b>	<b>-</b>	
<b>Net Income after Debt Service</b>	<b>\$ 38,544</b>	<b>\$ 136,935</b>	<b>\$ 54,334</b>	<b>\$ 17,350</b>	
<b>Depreciation Expense Estimate</b>	<b>\$ 17,000</b>	<b>\$ 15,000</b>	<b>\$ 13,000</b>	<b>\$ 11,000</b>	

# **King's Academy School**

## **3 Year Budget Projections**

### **2010-2013**

#### **Budget Assumptions**

The assumptions outlined below are based in part on historical (actual) data and an estimated inflationary increase.

1. Per pupil revenue for the 2009-10 operating budget is for 164 full-time equivalent students and 14 part-time equivalent students (K4 at 60% of per pupil allocation). There is a 5% projected increase for the 3 years projected ending with the 2012-2013 academic year.
2. Unrestricted donations from Christ the King Baptist Church and its church members to be used for general operations.
3. Increased salaries by an average of 5% in year one (higher wage increase due to the freeze in salaries for the 2009-10 academic year). Salary expense for year one also incorporates the reinstatement of wages for personnel that incurred a reduction in pay in the 2009-10 academic year. Increased salaries by 3% in years two and three. Salaries also increased in year two by additional staffing as outlined in business plan.
4. Increased benefits by an average of 15%.
5. Increased rent by an average of 5%.
6. Includes purchase of new curriculum for the 2010-2011 school year.
7. Increased property insurance by 10%.
8. Increased lunch expense by 10%.
9. Increased transportation expense by 10%.
10. Increased funding for professional development for staff.
11. Increased consulting fees for special education services.





**King's Academy School**  
**Accounting Policies and Procedures**  
**2010-2011**

**7798 North 60<sup>th</sup> Street**  
**Milwaukee, WI 53223**

**Note changes in red**

# **Accounting Policies and Procedures**

## **Introduction**

This Accounting Policies and Procedures Manual was created to establish procedures and guidelines for the financial management of King's Academy School. These guidelines will clearly define processes and assign responsibility to accounting functions within this organization. These procedures, if followed properly by the staff and management, will assure that funds, which are intended for the specific use in this program, will be administered and used solely for that purpose.

## **Internal Controls**

Internal Controls are a required part of any organization's operating system. They should be designed to protect the organization as well as the employees. Internal Controls affect every aspect of the operations of the organization, including but not limited to, the assets, liabilities, revenues and expenses. A sound system of internal controls provides the assurance that business decisions being made are based on reliable financial information.

The internal control system is designed to:

- Protect its resources against waste, fraud and inefficiency.
- Ensure accuracy and reliability in accounting and operating data.
- Encourage compliance with established policies.

Internal Controls fall into two categories: administrative controls and accounting controls. Administrative controls are measures that increase operational efficiency and compliance with policies in all parts of the organization. Accounting controls are measures which increase the reliability of the financial statements and the supporting accounting documents. This manual addresses the accounting controls of King's Academy School.

## **Accounting Controls**

Accounting controls maintain a plan under which employees' duties are arranged and records and procedures are designed to make it possible to create valid accounting control over assets, liabilities, revenues and expenses.

The accounting control process consists of:

- Division of responsibility among different employees for related functions.
- Clear establishment of each employee's responsibilities and duties.
- Separation of the responsibility for operation, acquisition, and custody of assets.

The division of duties within an organization should be designed so that no person handles a transaction completely from beginning to end. When duties are divided, the work of one employee serves to verify that of another and any errors can be detected promptly. Rotation of duties and responsibilities will strengthen internal control. Although it may be proper to assume that all employees are honest, it is still essential to provide proper accounting data and information with a minimum of human error and by removing sources that could potentially lead to employee abuse.

Sufficient internal control includes management's involvement in the accounting process through measures such as:

Management level staff review and approve bank reconciliations and monthly financial reports.

Management level staff verification of invoices prior to payment.

Serial numbers on checks to track documents.

The creation of documentary evidence to verify an expense before it is paid.

## **Accounting Department Overview**

### **A. Receipts**

Adequate control over receipt of cash must be maintained to ensure accurate recording and safeguarding of funds. The accounting procedures described in this manual provides for the proper receipt of, and accounting for, all funds received.

The process for deposits is outlined on **Attachment A** of this document.

### **B. Disbursements**

Disbursements are to be made to satisfy obligations incurred by the school for the purpose of operating its programs. Disbursements are made by check. Checks are processed only after proper authorization has been received from management.

- **Check Authorization**

All incoming invoices are approved by the administrator and sent to the finance office for payment.

The invoice is reviewed by the financial manager. Any questions or concerns are addressed with the administrator, and, once resolved, the request is given to finance office for processing.

Checks requested by the school are sent to the administrator for approval with all required backup documentation. Upon approval by the

administrator, the request is forwarded to the financial manager for review. Any questions or concerns are addressed with the administrator, and, once resolved, the request is given to the finance office for processing.

Checks are processed using the accounts payable system, Automated Church Systems (ACS) software.

Detailed steps to processing checks using this system is outlined in **Attachment B**.

- **Handling of Checks**

All checks will be pre-numbered and used in sequence.

Checks will be made payable to specified payees and never to cash.

Blank checks will be kept in the secured safe in the finance office.

Signature on checks are limited to the financial manager and the finance office.

Two signatures are required on all checks.

In no event will checks be prepared unless these procedures are followed.

### **C. Bank Reconciliation**

Bank accounts represent an organization's most liquid assets. Transactions in the bank account must be reviewed for accuracy.

King's Academy requires that each cash account which has a balance be reconciled to the general ledger accounting system or the books of the school monthly. The reconciliation shall be performed by one of the three financial assistants. Final review and approval will be made by the financial manager.

The objectives of the bank reconciliation are:

1. To ensure that all transactions in the bank statement are also reflected in the general ledger accounts.
2. To investigate any differences in amounts or any transactions that are not included in the general ledger before making any changes.
3. To reconcile to zero the bank statement to the general ledger balance.
4. To review uncleared transactions in the bank reconciliation report. Checks that have not cleared within six months from issue date should be investigated.

### **D. Dishonored checks**



King's Academy's policy on dishonored checks is as follows:

The person who wrote the check must be contacted in writing once notice is received. The written notice will include all fees associated with the dishonored check. Financial manager will determine when this debt is considered uncollectible.

## **E. Purchasing**

All purchase requests must be sent by administrator to the financial manager for approval. The financial manager, with the assistance of the administrator will determine:

- If funds are available in the budget for the expenditure
- If the expenditure is allowable under the grant (if applicable)
- If the expenditure is necessary for the program

All packing slips, receipts or paperwork will be signed by the administrative office staff and dated by the person. These documents will be forwarded to the finance office.

The finance office will compare the documents with invoices received for accuracy.

Once the invoices are approved they will be processed through the check system.

## **F. Payroll**

The board hires the Administrator

The administrator recommends for approval the hiring of all other employees. The administrative team reviews all hiring documentation for each prospective employee and makes the final determination of hiring the individual.

The financial manager will be responsible for ensuring that new employees complete the following:

- W-4 form (Federal exemption)
- State withholding exemption
- Form I-9

These documents are necessary to set up the employee in the payroll system. They are also necessary to have in the employee's file. They should be collected no later than the first day of employment.

The financial manager will also be responsible for providing to all new employees the following:

- Insurance information



The administrator will be responsible for providing to all new employees the following:

#### Staff Handbook

The financial manager is responsible for keeping all personnel records in a confidential manner so that they are inaccessible to other employees or the public. These records are to remain inaccessible even after employment ceases.

Payroll is paid on a weekly basis. Checks are available for pickup in the administrative office of the school on Tuesday mornings after 9:00 a.m. Electronic deposits are prepared timely to ensure funds are accessible in the employee's bank account on Tuesday morning as well.

Please note that each bank has a different process system for making funds available to its customers, therefore, King's Academy can not guarantee that all processes by the bank are done to ensure funds are available to the employees on each payday.

Payroll advances are at the discretion of the financial manager and will be dealt with on a case by case basis.

Payroll is processed using the Payroll module of the Automated Church System (ACS) software.

Detailed steps to processing payroll using this system are outlined in **Attachment C** of this document.

#### Payroll Taxes

The financial manager will be responsible for processing all payroll tax reports monthly, quarterly and yearly, as well as employee W-2 forms, independent contractor's 1099 forms as well as any other federal and state filings as they come due.

#### **G. Budgeting**

Budgeting is an integral part of any organization because it essentially translates the organizational goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and practical use of the organization's financial resources. The main budget of the organization presents the revenues and expenses for the operation of the fiscal year.

Budgets are set annually. The administrator begins the budgeting process in Mid-May of each year, by discussing with her staff the future needs of the school. This discussion is

then related via written request to the financial manager for consideration. The financial manager uses past activities coupled with future year's goals and objectives to prepare the budget for the fiscal year. Once complete the first draft of the budget is presented to the administrative team for detailed discussion and review, recommended changes are discussed and made based on a majority decision of the administrative team. Once all changes have been made to the draft, a final review by the administrative team is conducted before the budget is presented to the board for final approval.

The financial manager presents the budget to the board for final approval. Any changes recommended by the board require majority approval before changes can be made.

Once final approval has been voted on by the board, the chairman of the board signs the budget and the budget is adopted and can be implemented by the school.

### Cashflow Budgeting and Reporting

Since funds are received only four (4) times a year it is imperative that cashflow is regularly monitored to ensure that all obligations are met throughout the school year. Upon receipt of funds, fixed expenses that include but are not limited to rent, insurance, payroll, and taxes are calculated to obtain a total cost for these expenses for this quarterly time period. The remaining funds are then monitored closely, utilizing spreadsheets and regular communication with our banking institution, with payments being made related to other financial obligations as they become due. By following this process, King's Academy maintains adequate cashflow to meet its financial obligations. A report related to cashflow and cash on hand is reported to the board at each board meeting.

### **H. Audit**

An audit is an assessment of the organization's financial condition by an independent organization to render an opinion on the integrity of the organization's finances.

The board approves the outside agency to conduct the audit. These audits are conducted on an annual basis.

The financial manager, at each board meeting, will prepare and present an actual to budget report highlighting and explaining any material variances.

The financial manager will use this report in the monthly meetings with the administrator. These meetings are conducted to monitor the budget and to keep the administrator informed on all financial activity being generated by the school.

### **I. Insurance**

King's Academy is committed to the establishment and maintenance of a safe work environment for all employees and for the compliance with all applicable government

safety and health regulations. Insurance, risk avoidance, risk reduction are ways that King's Academy can avoid unnecessary costs. In general, all insurance requirements must be secured and renewed as needed. The steps outlined below will ensure that all insurance requirements are met.

The insurance policies will be carefully reviewed by the administrative team and financial manager.

At least the minimum required coverage will be maintained for property and liability insurance and for directors and officers liability and other required coverage such as worker's compensation.

The financial manager will be responsible for keeping records of all losses and will provide this information to the board on an annual basis.

Information pertaining to new or expanded programs will be provided to the insurance company immediately so that a reassessment of our insurance can be done to ensure that we maintain adequate coverage at all times.

## **J. General Ledger and Chart of Accounts**

King's Academy uses the Automated Church Systems software (ACS) for all of its financial activity. This software has modules for Accounts Receivable, Accounts Payable and Payroll. It utilizes a double entry accounting systems where it can generate and fulfill all accounting reports and requirements.

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is the foundation for the accumulation of data and reports.

The chart of accounts is the basis for the general ledger and therefore the basis for the accounting system. General ledger accounts are used to keep track of transactions and how these transactions affect each asset, liability, revenue, expense and net asset account. The chart of accounts is ultimately controlled by the financial manager. The financial manager's responsibility includes handling the account maintenance such as the addition and deletion of accounts. The financial manager ensures that the chart of accounts meets the organization financial needs. The chart of accounts should be maintained to a minimum to facilitate generating concise financial reports easy to read and understand.

## **K. Financial Statements Processing**

King's Academy prepares its financial statements according to Generally Accepted Accounting Principles (GAAP) and distributes them on a timely basis in the most cost effective manner.

#### **L. Charter School Compliance**

King's Academy will meet all financial reporting requirements for a charter school as outlined by the City of Milwaukee Charter School Committee and the Department of Public Instruction for the State of Wisconsin.

#### **M. Financial Management Staff Qualifications**

The Accounting/Financial Management position at King's Academy requires at least a Bachelor's Degree in accounting or finance with a minimum of twelve (12) hours of accounting. It further requires a minimum of 2 years experience in the accounting/finance industry. To ensure that the financial manager remains current with changing rules and regulations related to accounting/finance, continuing education through classes, workshops, reading material, etc. is required for the position.

#### **N. Other**

Changes to this document will be made regularly as deemed necessary to ensure the most up to date accounting policies and procedures are presented.



## **King's Academy School Conflict of Interest Policy**

The Purpose of the Conflict of Interest Policy is to protect the interest of King's Academy, when it is contemplating entering into a transaction or arrangement that might benefit the personal interest of a board director, officer, or committee member. The policy is also intended to protect the interest of King's Academy when it is contemplating entering into a transaction that might result in an excess benefit transaction. This policy is intended to supplement, but not replace, any applicable federal or state laws governing conflicts of interest.

### **Procedures**

#### **1. Duties to Disclose**

In connection with any actual or possible conflicts of interest by the above mentioned parties, the person must disclose the existence of his or her potential conflict to the board of Directors and to members of any committees that are considering the proposed transaction or arrangement, and must be given the opportunity to disclose all material facts and information.

#### **2. Determining Whether a Conflict of Interest Exists.**

After disclosure of all material facts and information, and after any discussion between the person and the Board or Committee, a determination of a conflict of interest is discussed and voted upon.

#### **3. Procedures for Addressing the Conflict of Interest.**

If it is found that a conflict of Interest exists, then

- a. The Chairman of the Board or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, The Board or Committee shall determine whether King's Academy can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by majority vote whether the transaction or arrangement is in King's Academy's best interest, for King's Academy's own benefit, and fair and reasonable to King's Academy, and shall then make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- d. In the event the Board or Committee makes the decision to enter into the transaction or arrangement, the Board or Committee shall set all reasonable procedures to limit and/or isolate the transaction or arrangement from other King's Academy activities.

4. **Violations of the Conflict of Interest Policy.**

- a. If the Board or Committee has reasonable cause to believe that a director, officer, or committee member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the director, officer, or committee member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the director, officer, or committee member and making such further investigation as may be warranted under the circumstances, the Board or Committee determines that the director, officer, or committee member has in fact failed to disclose an actual or possible conflict of interest, the Board or Committee shall take appropriate disciplinary and corrective actions which may include, at its discretion, removing the director, officer or committee member from the board or the committee of which they are members and relieving the director, officer and committee member of his or her duties as a director or officer of the school.

**Compensation**

A voting member of the Board who receives compensation, directly or indirectly, from King's Academy services, or a voting member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from King's Academy, is precluded from voting on matters pertaining to that member's compensation.

**Special Situations**

Individuals covered by this policy may be confronted with special situations that are not specifically addressed by this policy. If an individual has any questions as to the proper course of action, the matter should be disclosed to the President, Secretary, or Treasurer, who shall address the matter with the Administrative Committee. The Administrative Committee shall determine the appropriate handling of such special situations.

By accepting the position of director or officer of King's Academy you have agreed to adhere to the procedures set forth in this conflict of interest policy.

- a. Has received a copy of the Conflicts of Interest Policy
- b. Has read and understands the Policy
- c. Has agreed to comply with the Policy

The Conflict of Interest Policy for the staff is located in the Staff Handbook, Book 2, Tab 11, Attachment D, Page 17. For your convenience, a copy of the document has been made and is located on the following page.



## **Financial Assistance for Professional Growth**

King's Academy School supports its staff in acquiring professional competence. This may include lectures, demonstrations, workshops, reading assignments, seminars, conventions, and other means to broaden skills and knowledge. King's Academy School will assist in payment of the cost of education that is authorized by the school. This cost may include registration fees, required study materials; and substitute teacher. These stipulations govern the school's payment to teachers:

- A. Teachers accepting payment for any part of approved education must attend all sessions of the course unless there is an emergency.
- B. Teachers will be reimbursed for approved education only after giving the principal a report and proof of expense for workshops, seminars and conventions.
- C. The school will pay workshop or seminar fees for approved subject-area or grade-level conventions provided the principal has authorized the staff member's attendance.

## **Expectations and School Policies**

### **Conflict of Interest**

As a staff member you may not make personal profit from your position held at King's Academy School. Our integrity as a organization can be adversely affected when personal interests conflict or ever appear to conflict with the interests of our work and school system. You are expected to bring any potential conflict of interest to the attention of the administrator, who will decide whether there is a conflict of interest or not.

### **Outside Employment**

Although King's Academy School recognized that time away from work is yours and is to be used at your own discretion, we expect that outside employment will not:

- A. Conflict with your work schedule, duties and responsibilities at school.
- B. Create a conflict of interest or incompatibility with our mission.
- C. Create a detrimental effect upon your work performance at King's Academy School.
- D. Involve conducting business during hours you are employed at King's Academy School.

## **Budget**

- **Basis for revenue and expense estimates**
- **Contingency plan for revenue shortfalls**

**Budget**  
**Basis for Revenue and Expense Estimates**

King's Academy has ten years of operating experience, and thus is able to develop a budget based on historical costs trends and inflationary market increases. In addition, the school has occasionally experienced revenue shortfalls and as a result, reduces its expenses to ensure sound fiscal operations. King's Academy takes a conservative approach to budgeting so that typically, revenues and expenses are aligned with the school's needs. Additional details of the budgeting process are located in the King's Academy Accounting Policies and Procedures manual.



### **Contingency Plan for Revenue Shortfalls**

King's Academy currently has a Line of Credit with Christ the King Baptist Church. This line is its source of cash as needed to adequately cover any shortfalls that may occur during the fiscal year. This line has been approved by the Board of Directors of Christ the King Baptist Church and is available each year for King's Academy use as it becomes necessary.

## **Liability Insurance**

- Confirmation of 30-day notice to Charter School Review Committee

Confirmation of 30-day notice to Charter School review committee is located at the bottom of the certificate of insurance. This confirmation has been highlighted for your convenience.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/11/2009

PRODUCER **Karla M Serrano-Fralts**  
**Church Mutual Insurance Company**  
 3000 Schuster Lane  
 Merrill WI 54452  
 Tel from Wisconsin: 1-800-554-2642 Option 1  
 Tel from Outside Wisconsin: 1-800-554-2642 Option 9, then area code 414

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED  
**KINGS ACADEMY CHRISTIAN SCHOOL**  
 7798 N 60TH ST  
 MILWAUKEE WI 53223-4153  
 Group

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Church Mutual Insurance Company	18767
INSURER B:	
INSURER C:	
INSURER D:	

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> LOCATION <input type="checkbox"/> PROJECT	0220748-02-937953	07/01/2008	07/01/2011	EACH OCCURRENCE	\$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea. occurrence)	\$
						MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 3,000,000
						PRODUCTS - COMPIOP AGG	\$ 1,000,000
							\$
		AUTOMOBILE LIABILITY  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea Accident)	\$
						BODILY INJURY (Per Person)	\$
						BODILY INJURY (Per Accident)	\$
						PROPERTY DAMAGE (Per Accident)	\$
						AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
A		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	0220748-81-937954	07/01/2008	07/01/2011	EACH OCCURRENCE	\$ 5,000,000
						AGGREGATE	\$ 5,000,000
							\$
							\$
							\$
A		WORKERS COMPENSATION AND EMPLOYER'S LIABILITY  ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?  If yes, describe under SPECIAL PROVISIONS below	0220748-07-070984	07/01/2009	07/01/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$ 500,000
						E.L. DISEASE - EA EMPLOYEE	\$ 500,000
						E.L. DISEASE - POLICY LIMIT	\$ 500,000
A		OTHER <i>Directors, Officers &amp; Trustees Liability with Educator's Liability Employment Practices Liability Sexual Misconduct/Molestation Blanket Bond</i>	0220748-02-937953	07/01/2008	07/01/2011	CLAIMS MADE EACH CLAIM/AGGREGATE	\$ 1,000,000/ 500,000
						EACH OCCURRENCE	\$ 1,000,000/ 100,00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Evidence of liability insurance for Kings Academy Christian School located at 7798 N 60th St, Milwaukee, WI for the policy period. 016

## CERTIFICATE HOLDER

CP **Waukegan Common Council**  
 CL **School Review Committee**  
 City Mail Room 205  
 200 East Wells Street  
 Milwaukee, WI 53202

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE





**IMPORTANT**

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

## **Audits**

- Independent Audit engagement letter for 2010-2011 school year
- Auditor report on school's long range business plan and 2010-2011 school year
- Auditor report on planned, documented internal controls policies and procedures

October 1, 2009

King's Academy Christian School  
7798 N. 60th St.  
Milwaukee, WI 53223

We are pleased to confirm our understanding of the services we are to provide for King's Academy Christian School for the year ended June 30, 2011. We will audit the balance sheet of King's Academy Christian School as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. Also, the following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statements:

1. Schedule of functional expenses.
2. Schedule of Milwaukee Public Charter School Contract Revenue and Instructional and Non-Instructional Expense.

In addition we will:

1. Audit the School's academic achievement and program results.
2. Audit the School's compliance with contractual requirements of the charter school contract.

The objective of our audit of the School's academic achievement and program results is the expression of an opinion whether your Report on Academic Performance is accurate, valid and representative of the students participating in the program, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. If our opinion on the Report on Academic Performance is other than unqualified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

The objective of our audit of the School's compliance with contractual requirements of the charter school contract is the expression of an opinion whether your assertion on compliance with contract requirements is accurate based on our examination, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. If our opinion on the compliance with contract requirements is other than unqualified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

**Ritz Holman LLP**

*Serving businesses, nonprofits, individuals and trusts.*

Two Plaza East, Suite 550      t 414 271 1451  
330 East Kilbourn Avenue      f 414 271 7464  
Milwaukee, WI 53202      ritzholman.com

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report will include a statement that the report is intended solely for the information and use of the Board of Directors, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Management is responsible for the selection and application of accounting principles and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with U.S. generally accepted accounting principles. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is responsible for establishing and maintaining effective internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting or illegal acts affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization

complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishment and maintenance for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related hereto.

As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill the Organization for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting



from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of King's Academy Christian School's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Ritz Holman LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to contracting agencies or their designees, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Ritz Holman LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to contracting agencies. The contracting agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fees for this engagement will be based on the time required, billed at our hourly rates, adjusted for the value of the service provided plus our out-of-pocket expenses such as report production, typing, postage, etc. Our invoice for these fees will be rendered upon completion of our engagement and is payable on presentation.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our current peer review report accompanies this letter.

In addition to the services provided under the scope of this engagement, we will be able to provide certain non-audit services as long as those services do not impair our independence to perform the audit. At the time of execution of this engagement letter, it is anticipated that the following non-audit services will be provided:

- Preparation of certain entries to adjust from Other Comprehensive Basis of Accounting to Accrual Basis of Accounting. Specifically, adjustments are expected in the following area(s):
  - Depreciation
  - Prepaid expenses

Management will be required to review and accept all proposed adjusting entries and any immaterial differences not posted.

- Preparation of Form 990 (and Form 1952, if applicable).

Management will be required to provide any additional information required to prepare Form 990 (and Form 1952, if applicable) outside the scope of the audit; complete and sign the Form 990 questionnaire; and review, accept and sign Form 990 (and Form 1952, if applicable) when finalized.

We appreciate the opportunity to be of service to King's Academy Christian School and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Ritz Holman LLP*  
RITZ HOLMAN LLP  
Certified Public Accountants

Encl.: Current Peer Review

**RESPONSE:**

This letter correctly sets forth the understanding of King's Academy Christian School.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Independent Auditor Report of Management's Long Range  
Business Plan and 2010-11 School Year Budget

To the Board of Directors  
King's Academy School

We have examined management's long range business plan and 2010-11 school year budget for King's Academy School. We believe that the plan contains the essential components of a long range business plan. The three-year plan is based on a 5% increase in the number of students each year until capacity is reached.

The long range business plan includes a detailing of projected expenses. Wages are expected to increase 5% in year one and 3% in years two and three, as well as additional positions added in years one and two. Classroom materials will increase due to the purchase of a new curriculum. Additional operational expenses will increase between 5-15%, which is based on King's Academy School's historical data and their estimated inflationary increase.

In our review of King's Academy School's long range business plan and 2010-11 school year budget, we conclude that the plan provides a sufficient basis for planning, budgeting and reporting as the plan is implemented.

*Ritz Holman LLP*

RITZ HOLMAN, LLP  
Certified Public Accountants

Ritz Holman LLP  
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330 East Kilbourn Avenue      f. 414.271.7464  
Milwaukee, WI 53202      ritzholman.com

## Kings Academy Business Plan 2010 – 2013 School Years

### **Executive Summary:**

Formerly known as King's Academy Christian School, King's Academy was founded in 1999 by Rev. John W. McVicker, Sr. as a private, tuition based school affiliated with Christ the King Baptist Church. As King's Academy restructures as a charter school, it will remain located in the same community and will retain its original value of community service and high moral standards for its students. The school will continue to be housed in its state of the arts facility on the northwest side of Milwaukee.

King's Academy is located at 7798 North 60<sup>th</sup> Street in Milwaukee, Wisconsin. The school is housed in the 60,000 square foot Quality of Life Center (QLC) owned and operated by the Christ The King Development Corporation. The QLC has a full size gymnasium, library multi-media center, multi-purpose room, fitness center, art and science labs as well as a game room. The state of the art computer lab has 22 computers including one with the capability to train and instruct the entire class. The 24 classrooms are utilized by not only King's Academy, but also by the Samaritan Project Inc., a non-profit after school tutorial program. The Village Clinic which is a community based health and wellness center and the King's Cuisine Community Café is also housed in this facility.

Over the next three years, the staff of King's Academy will remain committed to educating all students to the highest level of academic achievement regardless of family background, socioeconomic level or gender. The school believes that all children can learn and demonstrate mastery over traditional subject matter such as English, Mathematics, Science and Social Studies. Staff will provide a rigorous academic program in a caring and nurturing environment. The staff at King's Academy will motivate, educate and elevate all students by promoting academic excellence and by enhancing their ability to function in society. As we move forward, we will increase professional development options for all staff. The professional development needs will be identified during each year through school improvement planning, monthly staff meetings, individual conferences, monitoring conferences, walkthroughs, surveys and data analysis.

King's Academy's will continue to provide an integrated literacy program across the curriculum that is designed to serve students in grades K4-8. The instructional program reflects the characteristics of the school's community and focuses on enhancing the intellectual, physical, emotional and social development of the students. This program is aligned with the Wisconsin Department of Public Instruction standards for curriculum as well as the state assessments.

Working collaboratively, we will increase parental involvement and promote partnerships while expanding the social, emotional and academic growth of our students. The staff believes that parents are an important part of their children's lives and must contribute to their academic success.

Kings Academy will continue to prepare our students to be responsible citizens, critical thinkers and life-long learners.

**Mission:**

The mission of King’s Academy is to educate all children by promoting academic excellence with a curriculum that will motivate, educate and elevate them to become productive citizens.

**Organization Summary:**

King’s Academy currently serves 175 students in grades K4-8. The projected enrollment for the 2010-2011 school year is 193 students ultimately reaching its maximum capacity of 200 students by the 2011-2012 academic year. The staff currently consist of one Principal, one part-time Assistant Principal, three Office Staff, one Food Service Manager, ten Classroom Teachers, one Reading Intervention Teacher, one Art Teacher, one Gym Teacher, one Music Teacher, four part-time Teacher Assistants and one Librarian. Additionally, we have an ongoing partnership with Aurora Health Care, Inc. who provides one onsite nurse.

Our goal as a charter school is to add additional personnel as outline in the table below.

2010-2011 - Year One Additions	Special Education Resource Teacher (Part-time) Professional Development New Curriculum Transportation
2011-2012 -Year Two Additions	Curriculum Generalist Special Education Resource Teacher (Full-time) Spanish Teacher Teacher Assistant
2012-2013 - Year Three Additions	No Additions

As we move forward, we will increase professional development options for all staff. The professional development needs will be identified during each year through school improvement planning, monthly staff meetings, individual conferences, monitoring conferences, walkthroughs, surveys and data analysis.

King’s Academy will continue to be governed by 12 board members from a variety of educational backgrounds and professional community service organizations. The board plays an integral role by providing their knowledge and expertise regarding the educational issues and operational procedures of the school.

The Parent Teacher Organization will continue to collaborate with the school and board in providing input and feedback that will promote a strong relationship between home and school.

**Market Analysis Summary:**

King’s Academy will continue to accept and serve all students regardless of race, ethnicity, socioeconomic status, sex, religion, national origin, pregnancy, sexual orientation, physical, emotional or learning disability and all other At-Risk students. Admission requirements are described in the Parent/Student Handbook.

To ensure a racial and ethnic balance our marketing strategies will continue to include all City of Milwaukee residences. Our marketing strategies will focus on advertisement such as newspapers, radio, flyers, networking, using the internet, and an informative website to support our efforts.

To achieve excellence in education, the parents will motivate, students will participate, teachers will educate, as we all work together to elevate.

<b>KING'S ACADEMY SCHOOL</b>					
<b>3 YEAR PROJECTED BUDGET</b>					
<b>2010-2013</b>					
	<b>09-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	
	<b>Operating</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
Student Count	<b>184</b>	<b>193</b>	<b>200</b>	<b>200</b>	
Per Pupil Revenue	<b>6442</b>	<b>7775</b>	<b>7775</b>	<b>7775</b>	
<b>Revenue</b>					
Per Pupil Revenue	\$ 1,110,601	\$ 1,500,575	\$ 1,555,000	\$ 1,555,000	1
Private Pay	19,500	-	-	-	
Scholarships from Ctk	15,000	-	-	-	
Lunch	2,992	2,992	2,992	2,992	
Lunch - Free & Reduced	71,560	71,560	71,560	71,560	
Transportation Revenue - MPS	36,935	-	-	-	
After School Program	-	-	-	-	
Donations	10,000	20,000	20,000	20,000	2
Field Trip Revenue	3,000	3,000	3,000	3,000	
Miscellaneous Donations	5,000	5,000	5,000	5,000	
<b>Total Revenue</b>	<b>\$ 1,274,588</b>	<b>\$ 1,603,127</b>	<b>\$ 1,657,552</b>	<b>\$ 1,657,552</b>	
<b>Expenses</b>					
Salaries	\$ 620,680	\$ 718,614	\$ 805,172	\$ 829,328	3
Benefits	175,871	202,252	232,590	267,478	4
Rent	133,872	140,566	147,594	154,974	5
Classroom Materials	28,000	45,000	30,000	30,000	6
Property Insurance	13,050	14,355	15,791	17,370	7
Lunch Program (Food/Milk)	34,831	38,314	42,145	46,360	8
Office Supplies	10,000	13,000	13,000	13,000	
Technology Upgrades	9,000	9,000	9,000	9,000	
Audit Fees	11,700	13,700	13,700	13,700	
Telephone	1,983	1,983	2,181	2,399	
Advertising	1,000	1,000	3,000	3,000	
Transportation Expense	128,507	141,358	155,494	171,043	9
Dues & Subscriptions	500	500	1,000	1,000	
Professional Development	500	30,000	30,000	30,000	10
Consultant Fees	23,000	23,000	40,000	40,000	11
Postage	2,500	2,500	2,500	2,500	
Interest Expense	3,000	3,000	2,000	1,000	
Miscellaneous	8,050	8,050	8,050	8,050	
<b>Total Expenses</b>	<b>\$ 1,206,044</b>	<b>\$ 1,406,192</b>	<b>\$ 1,553,218</b>	<b>\$ 1,640,202</b>	
<b>Net Income before Debt Service</b>	<b>\$ 68,544</b>	<b>\$ 196,935</b>	<b>\$ 104,334</b>	<b>\$ 17,350</b>	
<b>Debt Service Estimate</b>	<b>30,000</b>	<b>60,000</b>	<b>50,000</b>	<b>-</b>	
<b>Net Income after Debt Service</b>	<b>\$ 38,544</b>	<b>\$ 136,935</b>	<b>\$ 54,334</b>	<b>\$ 17,350</b>	
<b>Depreciation Expense Estimate</b>	<b>\$ 17,000</b>	<b>\$ 15,000</b>	<b>\$ 13,000</b>	<b>\$ 11,000</b>	

# **King's Academy School**

## **3 Year Budget Projections**

### **2010-2013**

#### **Budget Assumptions**

The assumptions outlined below are based in part on historical (actual) data and an estimated inflationary increase.

1. Per pupil revenue for the 2009-10 operating budget is for 164 full-time equivalent students and 14 part-time equivalent students (K4 at 60% of per pupil allocation). There is a 5% projected increase for the 3 years projected ending with the 2012-2013 academic year.
2. Unrestricted donations from Christ the King Baptist Church and its church members to be used for general operations.
3. Increased salaries by an average of 5% in year one (higher wage increase due to the freeze in salaries for the 2009-10 academic year). Salary expense for year one also incorporates the reinstatement of wages for personnel that incurred a reduction in pay in the 2009-10 academic year. Increased salaries by 3% in years two and three. Salaries also increased in year two by additional staffing as outlined in business plan.
4. Increased benefits by an average of 15%.
5. Increased rent by an average of 5%.
6. Includes purchase of new curriculum for the 2010-2011 school year.
7. Increased property insurance by 10%.
8. Increased lunch expense by 10%.
9. Increased transportation expense by 10%.
10. Increased funding for professional development for staff.
11. Increased consulting fees for special education services.





**Independent Accountant Report on Planned, Documented  
Internal Controls Policies and Procedures**

To the Board of Directors  
King's Academy School

We have examined management's assertions that King's Academy School's internal control structure over financial reporting is suitably designed to prevent or detect material misstatements in the financial statements on a timely basis as described in the King's Academy School's financial procedures manual.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control structure over financial reporting, evaluating the design of the internal control structure, and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, King's Academy School's internal control structure over financial reporting as described in the King's Academy School's Financial Procedures Manual is suitably designed to provide reasonable assurance that the specific control objectives would be achieved if the described policies and procedures were complied with satisfactorily.

*Ritz Holman LLP*  
RITZ HOLMAN, LLP  
Certified Public Accountants

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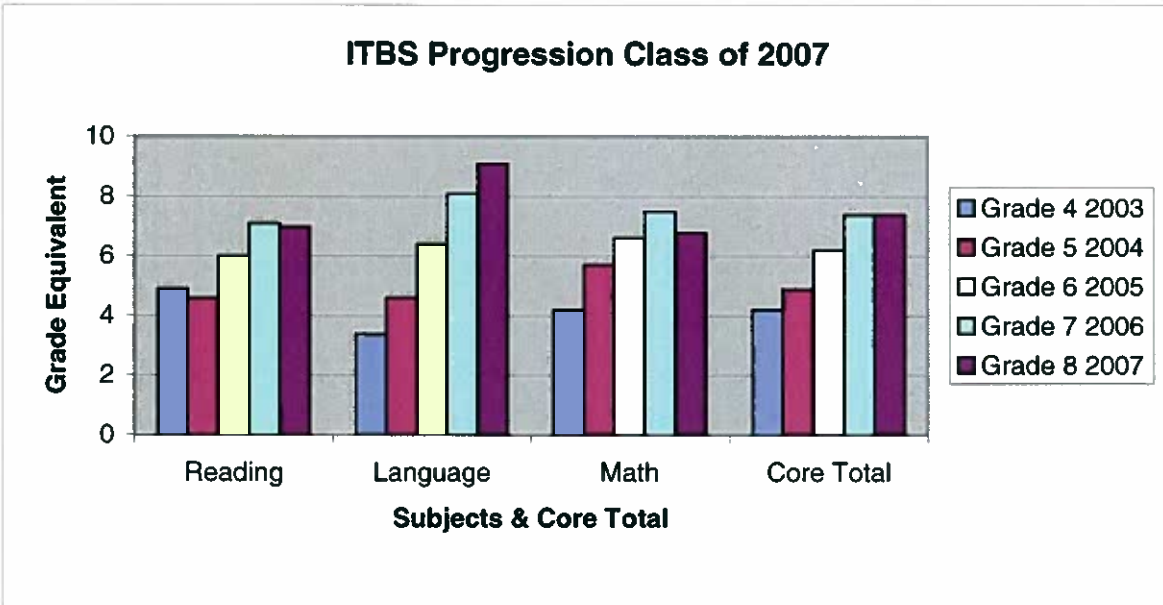
## **Educational Results**

- Data from past assessments showing year-to-year growth

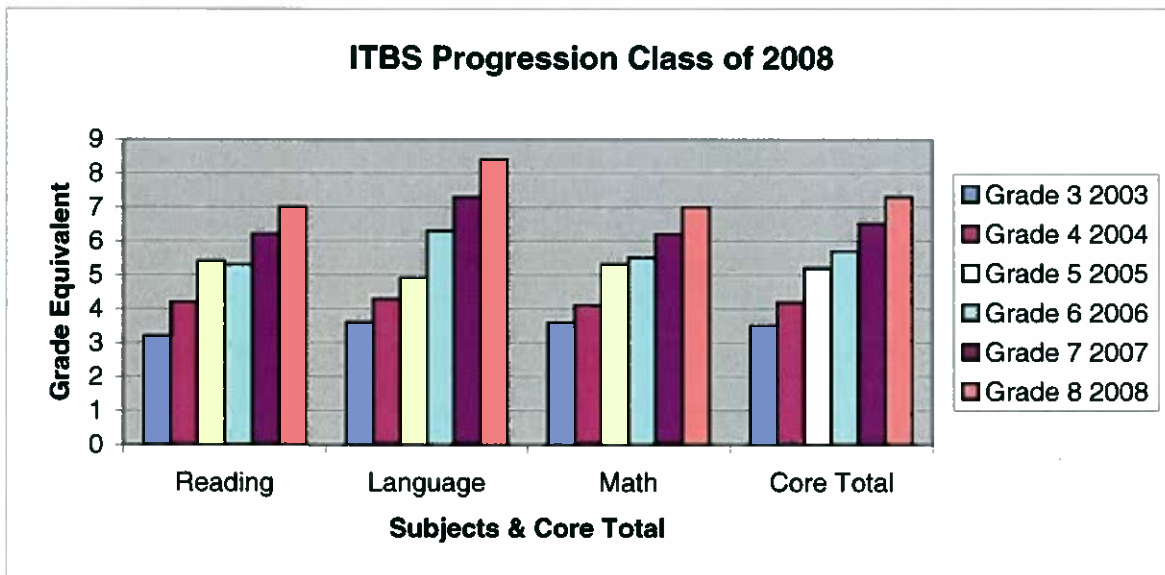
## **Standardized Test Progression**

King's Academy administered its first standardized test in 2003. At that time there were only a third and fourth grade class. The documents that follow reflect test progression in the core subjects: Reading, Language and Math of the graduating classes of 2007 through 2017.

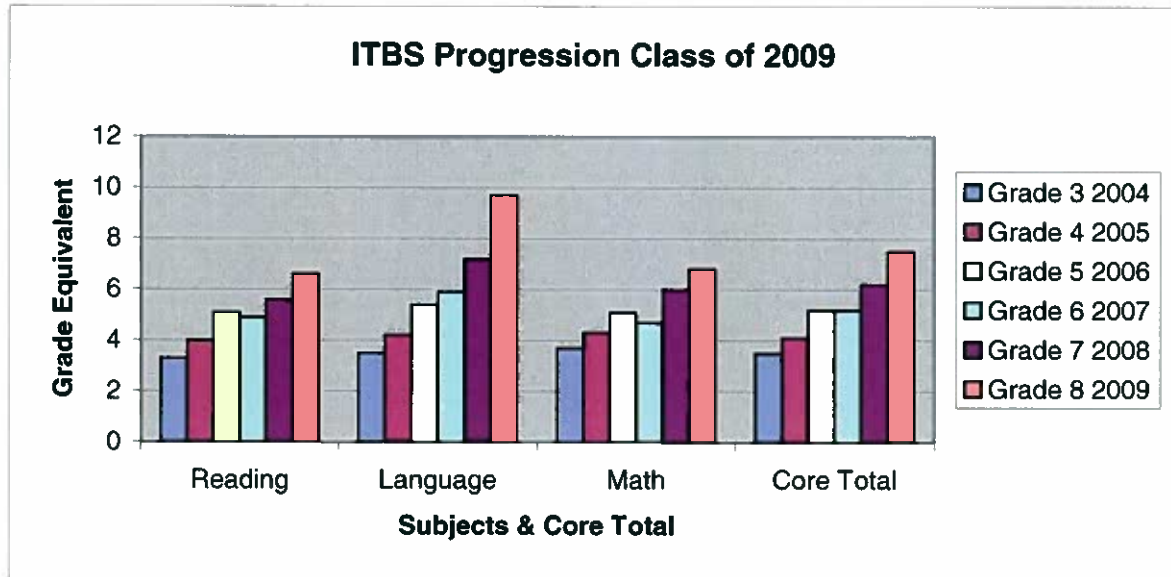
	Reading	Language	Math	Core Total
Grade 4 2003	4.9	3.4	4.2	4.2
Grade 5 2004	4.6	4.6	5.7	4.9
Grade 6 2005	6	6.4	6.6	6.2
Grade 7 2006	7.1	8.1	7.5	7.4
Grade 8 2007	7	9.1	6.8	7.4



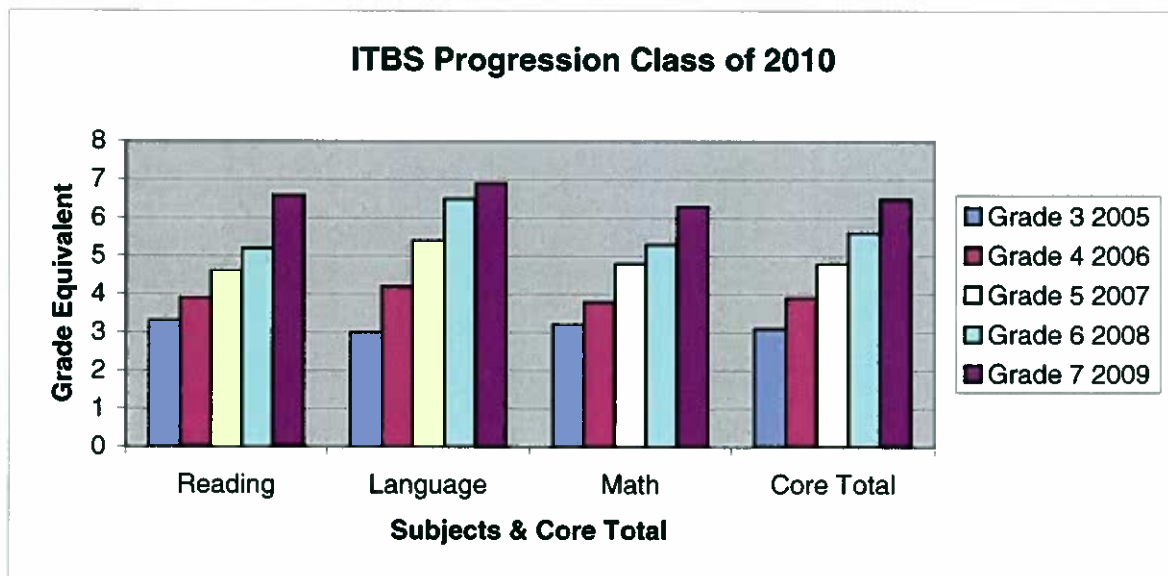
	Reading	Language	Math	Core Total
Grade 3 2003	3.2	3.6	3.6	3.5
Grade 4 2004	4.2	4.3	4.1	4.2
Grade 5 2005	5.4	4.9	5.3	5.2
Grade 6 2006	5.3	6.3	5.5	5.7
Grade 7 2007	6.2	7.3	6.2	6.5
Grade 8 2008	7	8.4	7	7.3



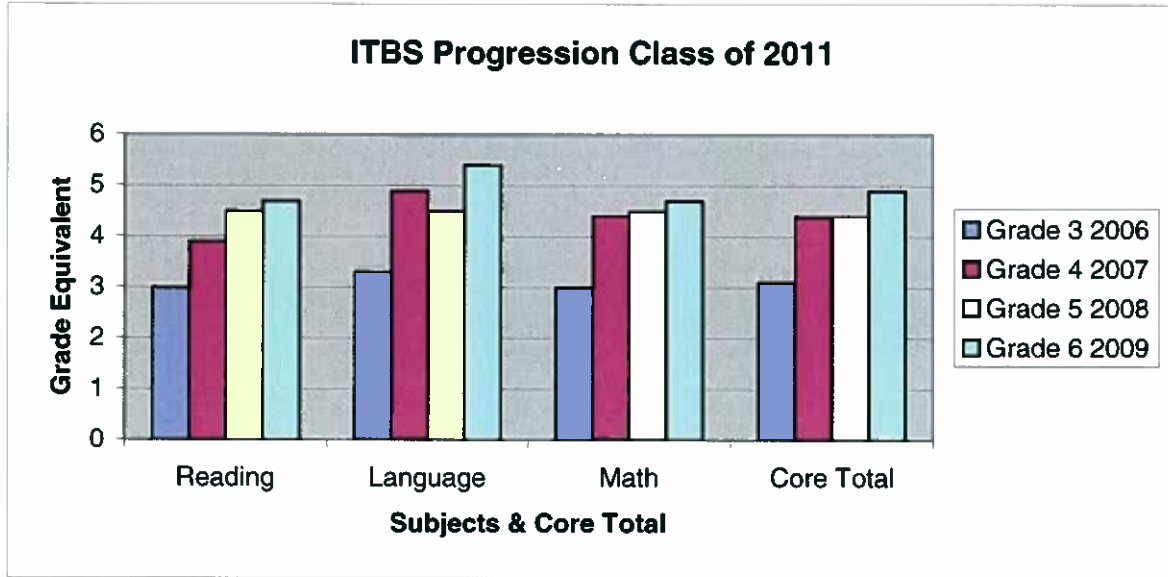
	Reading	Language	Math	Core Total
Grade 3 2004	3.3	3.5	3.7	3.5
Grade 4 2005	4	4.2	4.3	4.1
Grade 5 2006	5.1	5.4	5.1	5.2
Grade 6 2007	4.9	5.9	4.7	5.2
Grade 7 2008	5.6	7.2	6	6.2
Grade 8 2009	6.6	9.7	6.8	7.5



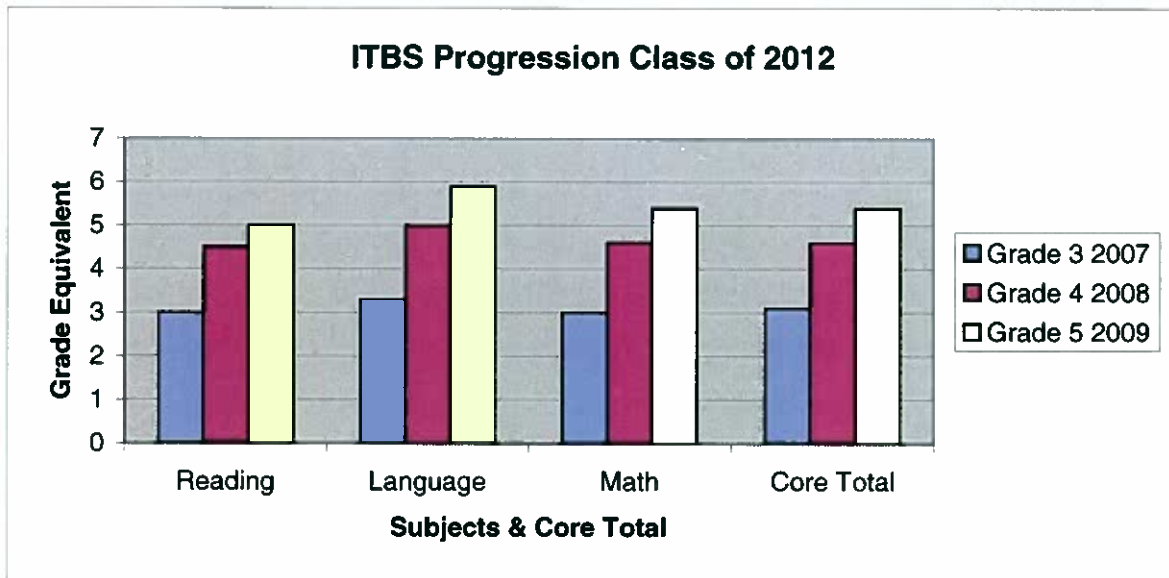
	Reading	Language	Math	Core Total
Grade 3 2005	3.3	3	3.2	3.1
Grade 4 2006	3.9	4.2	3.8	3.9
Grade 5 2007	4.6	5.4	4.8	4.8
Grade 6 2008	5.2	6.5	5.3	5.6
Grade 7 2009	6.6	6.9	6.3	6.5



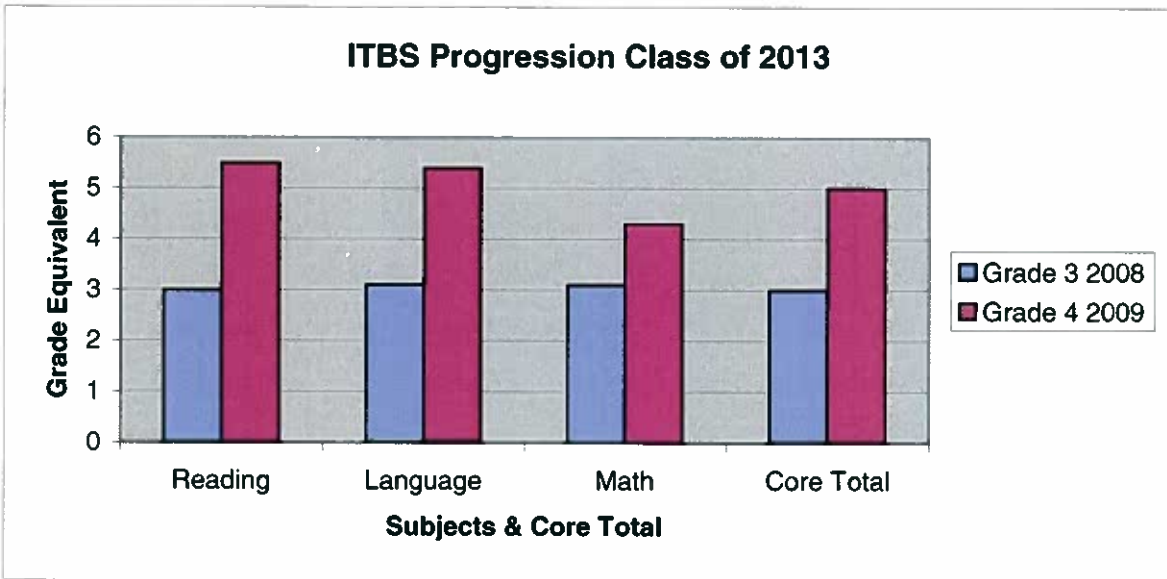
	Reading	Language	Math	Core Total
Grade 3 2006	3	3.3	3	3.1
Grade 4 2007	3.9	4.9	4.4	4.4
Grade 5 2008	4.5	4.5	4.5	4.4
Grade 6 2009	4.7	5.4	4.7	4.9



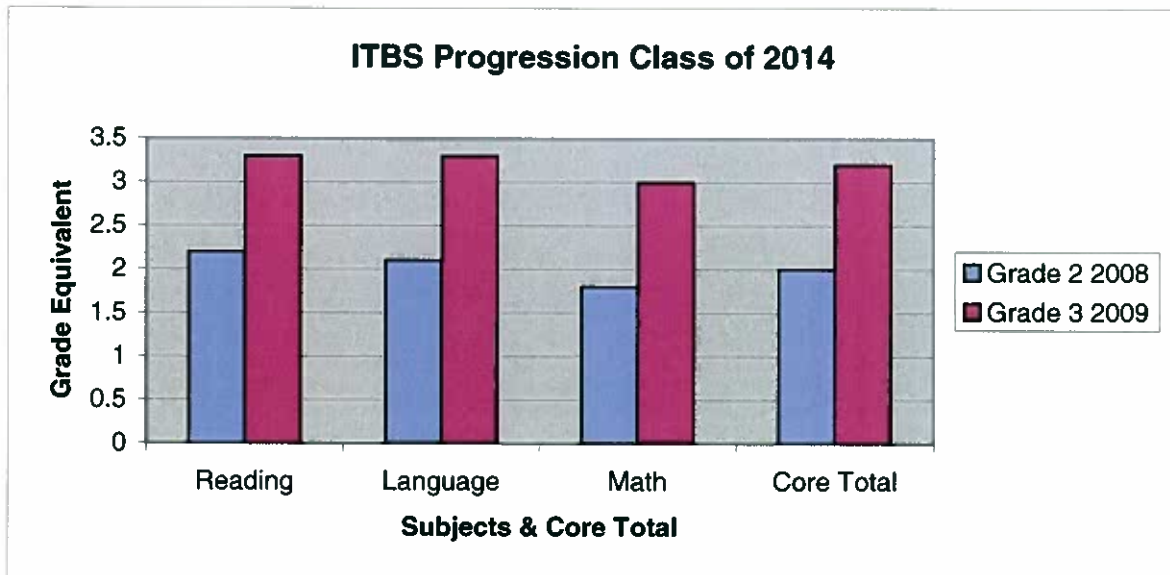
	Reading	Language	Math	Core Total
Grade 3 2007	3	3.3	3	3.1
Grade 4 2008	4.5	5	4.6	4.6
Grade 5 2009	5	5.9	5.4	5.4



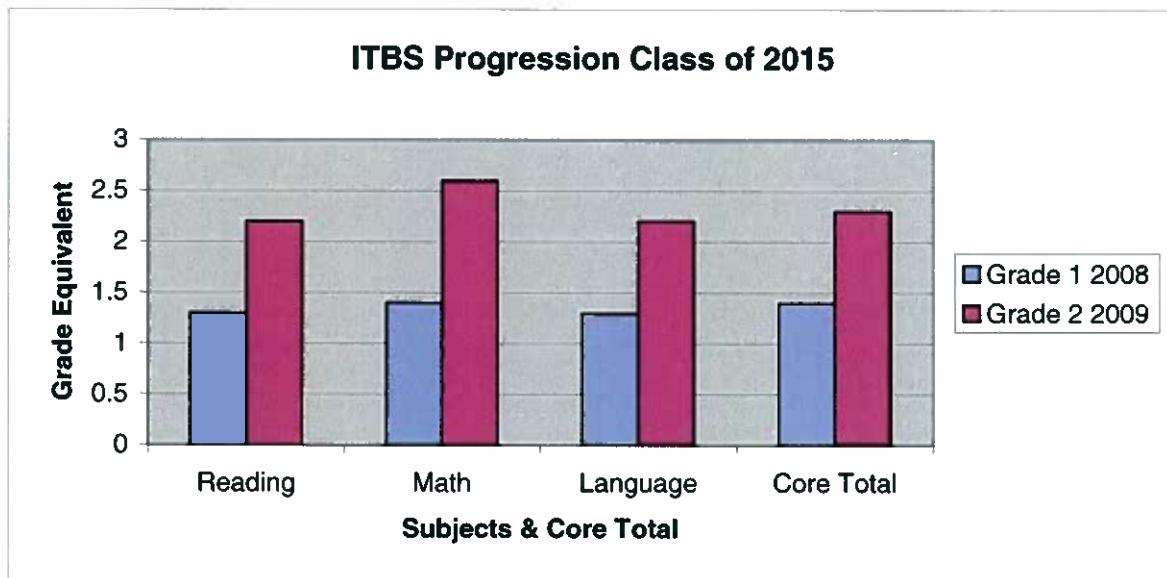
	Reading	Language	Math	Core Total
Grade 3 2008	3	3.1	3.1	3
Grade 4 2009	5.5	5.4	4.3	5



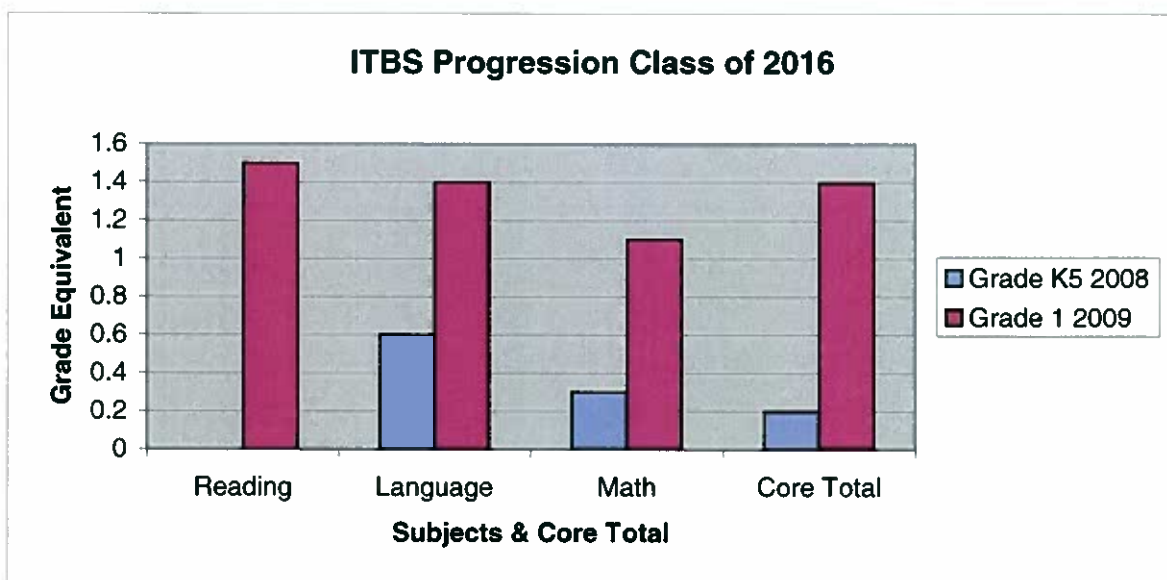
	Reading	Language	Math	Core Total
Grade 2 2008	2.2	2.1	1.8	2
Grade 3 2009	3.3	3.3	3	3.2



	Reading	Math	Language	Core Total
Grade 1 2008	1.3	1.4	1.3	1.4
Grade 2 2009	2.2	2.6	2.2	2.3



	Reading	Language	Math	Core Total
Grade K5 2008	0.6	0.3	0.2	
Grade 1 2009	1.5	1.4	1.1	1.4



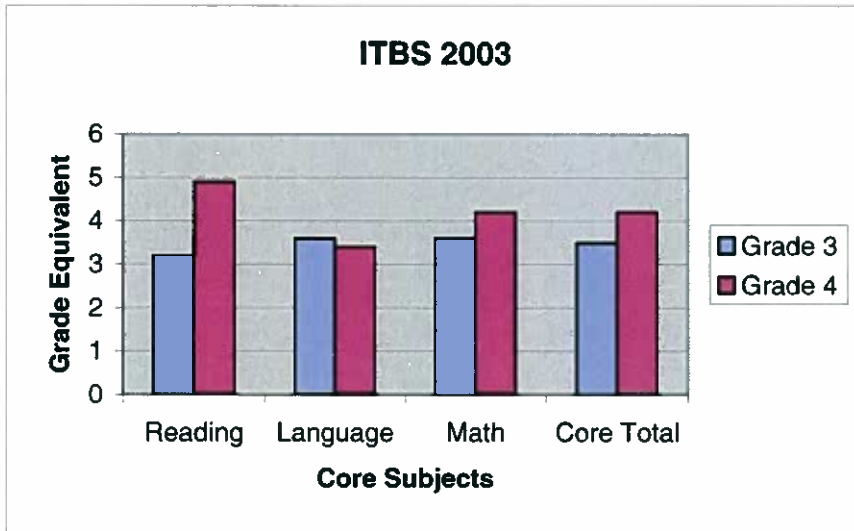




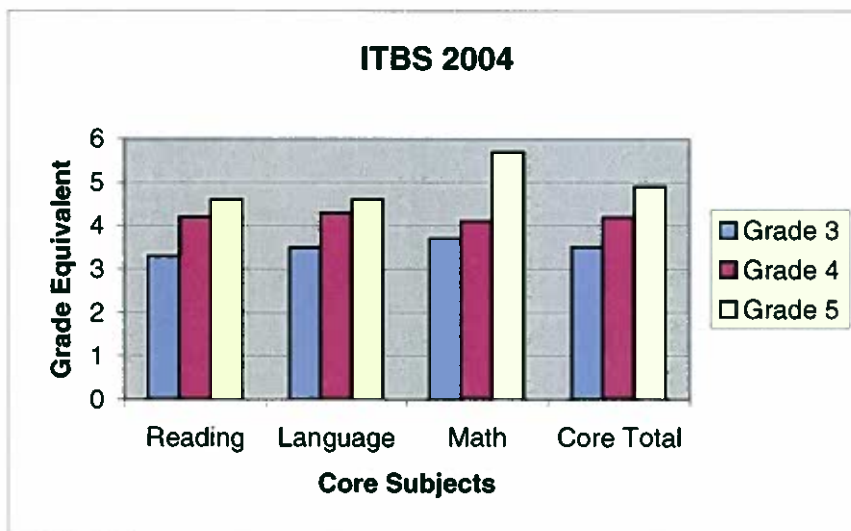


## Test Data 2003-2009 - Measure: Iowa Test of Basic Skills

	ITBS 2003			
	Reading	Language	Math	Core Total
Grade 3	3.2	3.6	3.6	3.5
Grade 4	4.9	3.4	4.2	4.2

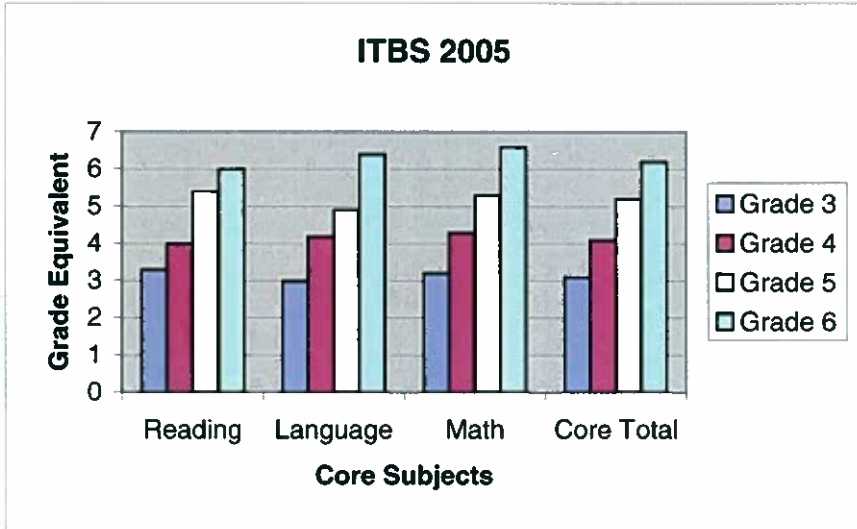


	ITBS 2004			
	Reading	Language	Math	Core Total
Grade 3	3.3	3.5	3.7	3.5
Grade 4	4.2	4.3	4.1	4.2
Grade 5	4.6	4.6	5.7	4.9



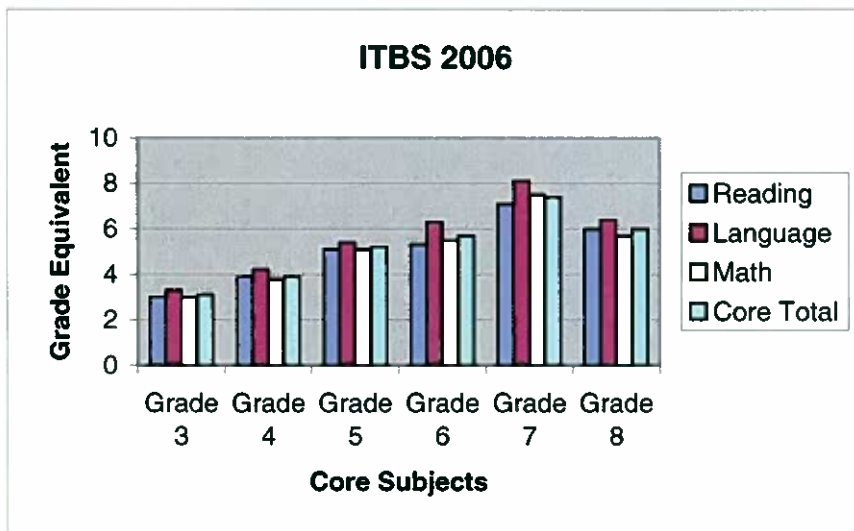
**ITBS 2005**

	Reading	Language	Math	Core Total
Grade 3	3.3	3	3.2	3.1
Grade 4	4	4.2	4.3	4.1
Grade 5	5.4	4.9	5.3	5.2
Grade 6	6	6.4	6.6	6.2



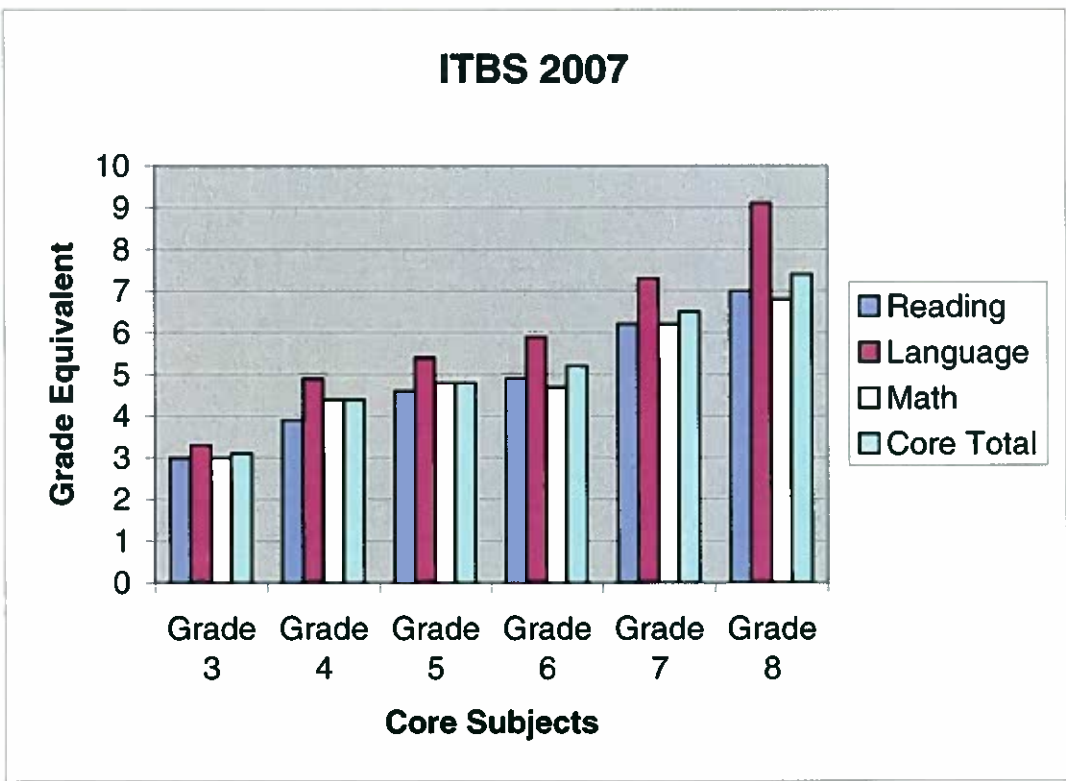
**ITBS 2006**

	Reading	Language	Math	Core Total
Grade 3	3	3.3	3	3.1
Grade 4	3.9	4.2	3.8	3.9
Grade 5	5.1	5.4	5.1	5.2
Grade 6	5.3	6.3	5.5	5.7
Grade 7	7.1	8.1	7.5	7.4
Grade 8	6	6.4	5.7	6



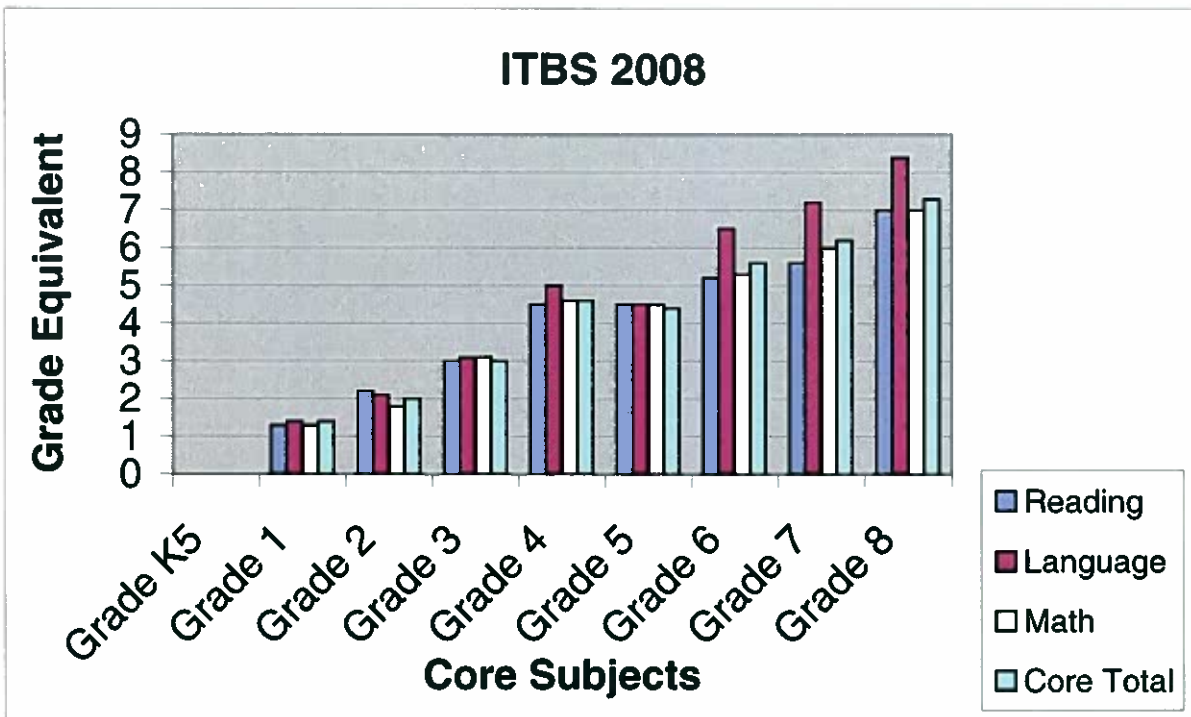
**ITBS 2007**

	Reading	Language	Math	Core Total
Grade 3	3	3.3	3	3.1
Grade 4	3.9	4.9	4.4	4.4
Grade 5	4.6	5.4	4.8	4.8
Grade 6	4.9	5.9	4.7	5.2
Grade 7	6.2	7.3	6.2	6.5
Grade 8	7	9.1	6.8	7.4



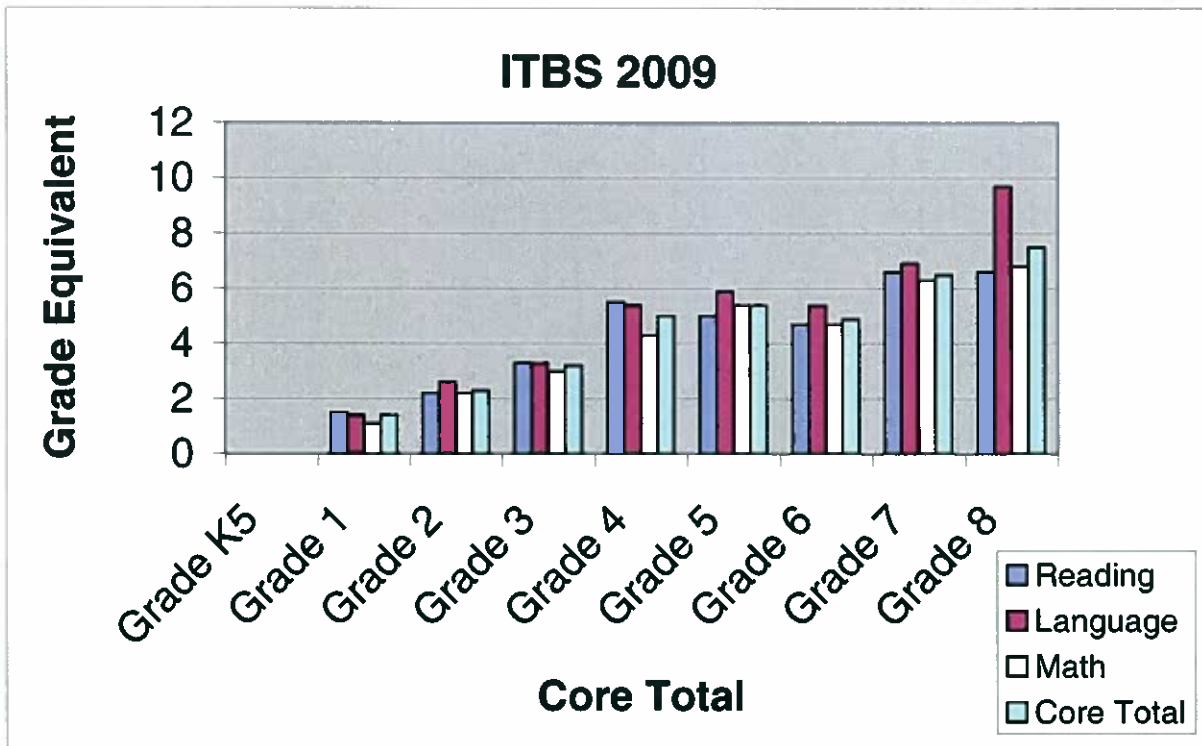
**ITBS 2008**

	Reading	Language	Math	Core Total
Grade K5				
Grade 1	1.3	1.4	1.3	1.4
Grade 2	2.2	2.1	1.8	2
Grade 3	3	3.1	3.1	3
Grade 4	4.5	5	4.6	4.6
Grade 5	4.5	4.5	4.5	4.4
Grade 6	5.2	6.5	5.3	5.6
Grade 7	5.6	7.2	6	6.2
Grade 8	7	8.4	7	7.3



**ITBS 2009**

	Reading	Language	Math	Core Total
Grade K5				
Grade 1	1.5	1.4	1.1	1.4
Grade 2	2.2	2.6	2.2	2.3
Grade 3	3.3	3.3	3	3.2
Grade 4	5.5	5.4	4.3	5
Grade 5	5	5.9	5.4	5.4
Grade 6	4.7	5.4	4.7	4.9
Grade 7	6.6	6.9	6.3	6.5
Grade 8	6.6	9.7	6.8	7.5



## **Admission Procedures**

- Description of means to achieve racial and ethnic balance

## ***Admission Procedures***

King's Academy accepts and serves all students regardless of race, ethnicity, socioeconomic status, sex, religion, national origin, pregnancy, sexual orientation, physical, emotional or learning disability and all other At-Risk students. Admission requirements are described in the Parent/Student Handbook (See Attachment S).

King's Academy's open enrollment period is in January. To ensure a racial and ethnic balance our marketing strategies will include all City of Milwaukee residences. King's Academy's open enrollment period is in January. To ensure a racial and ethnic balance our marketing strategies will include all City of Milwaukee residences. Our marketing strategies will focus on advertisements such as newspapers, radio, flyers, networking, using the internet, an informative website to support our efforts. If there are more applicants than available seats, as of January 31<sup>st</sup>, a lottery will be held on February 15<sup>th</sup> to fill the seats. After that time, the school will accept applications for the coming school year through September based on available seats. Students will have one week from the first day of school to guarantee their seat, after that it will be given to a student on the waiting list. Seats for the current school year will be filled in January from the waiting list. Applications are accepted anytime, however, after September 17, 2010 student will not be placed in a classroom until January and after January 14, 2011 they will be placed on a waiting list for the following year. Students with siblings enrolled at the school or students that are returning to the school may be given preference for admission.

## ***Disciplinary Procedures***

King's Academy places a strong emphasis on a safe and orderly learning environment. Refer to the Parent/Student Handbook for specific policies related to the disciplinary procedures (See Attachment S, pages- 21-27).

During the 2008-2009 year, King's Academy had 187 students enrolled in K4-8<sup>th</sup> grades. Fifty three students received disciplinary actions and of those fifty-three students one half of them were repeaters. Three of those students were expelled.



## **Educating Children with Disabilities**

- **Data on the number of children with disabilities and the disabilities they present**

## **Plan to Educate Children with Disabilities**

Currently King's Academy has four students with disabilities. One student has been identified as cognitive disabled and three students have been identified as having an Attention Deficit Hyperactive Disorder. Their cumulative folders are reviewed for active IEPs and teachers make accommodations based on the students' IEP.

The school may decide to have Title I math and/or reading based on the needs of the students. Students below one grade level in reading and/or math will be assigned to Title I reading and math groups. Cross grouping is utilized as an instructional method to accommodate the needs of all students. If more students are struggling with reading, they will be assigned to the reading intervention teacher.

Students who have been identified with speech impediments will receive Speech and Language services from a Milwaukee Public School site. A Milwaukee Public School representative notifies King's Academy regarding students who will be receiving services. Parents are responsible for transporting their child to the designated site however, a King's Academy staff member will accompany students to and from the closest neighboring school site.

King's Academy plans to serve students with special education needs through an inclusive service delivery model. This model can include, resource services in the least restrictive environment (*providing learning experiences that are adaptive to student differences that can be transitioned to the general educational setting*), and team teaching support. Students, who receive resource services will do so in a small group setting aimed to pre-teach, remediate or reinforce instruction. Special Education students currently serviced are mild cognitive disabilities and Speech and Languages. Presently, the school does not serve students with low-incidence impairments. However, in the event that the Individual Education Plan (IEP) requires services of this nature, the child would receive small group instruction and/or will be integrated into the general education setting to the greatest extent possible. Related service personnel would be contracted as necessary.

### **Staff**

The special services staff will be comprised of educators certified in the areas of Cognitive Disabilities (CD), Emotional Behavioral Disabilities (EBD), Learning Disabilities (LD), Other Health Impairments (OHI), Speech and Language (SPL) and/or Cross Categorical Special Education. The team will work together collaboratively to develop and implement a child's IEP. The appropriate related services specialist will serve as an IEP team member on initials and re-evaluations. Weekly team meetings will be held to discuss each student's progress and to assess intervention strategies. King's Academy will provide information and in-service opportunities on the referral process and special education updates to parents and staff annually.

### **Caseload**

The special education caseload will be determined based upon the number of students with disabilities in each grade and the amount of time required per their IEPs. Administrators and the special education Lead Teacher will discuss and adjust caseloads based on the needs of the student population.

### **Related Service Personnel**

Related services are services for students with disabilities that are necessary for them to benefit from special education. King's Academy currently serves very few students who require related services. When needed, these services are provided to students from outside agencies, whom the school has developed a contractual relationship.

### **Parental Involvement in Special Education**

Parents will be encouraged to communicate their assessment of the special education services provided by King's Academy through formal and informal conferences and parent surveys. The surveys will measure their satisfaction in the following areas:

- the referral and evaluation processes,
- the development of the IEP and placement decision,
- quality of services provide,
- opportunity for parental input into the IEP
- communication for the school regarding their child's academic behavioral progress.

King's Academy will follow the Wisconsin Department of Public Instruction Special Education Policies and Model. **See Attachment T.**