C.4 Start-Up Budget Assumptions

Start-Up Revenue

Arizona Language Preparatory began its operation in year 2010 and has obtained all of its start-up revenue from existing private school revenue. ALP bank account balance (revenue – expenses) from pre-charter era is estimated to be $30,000. Please see Exhibit C.4 for verifiable proof of secured funds from Bank of America.

The Total Start-up Revenue is budgeted at $30,000.

Administration, Instruction, & Support (AIS) Expenditures

The Start-up salaries expenses for the School Director, regular teacher, clerical, business management (bookkeeper/finance), and maintenance will be maintained by the existing BeiBei Amigos Language Preschool. There is no special education teacher required at this stage and ALP will be contracted the special education services externally. As all of the salaries during the Start-up period will be maintained by the existing preschool, the employee benefits will also be maintained by the preschool. There is no employee insurance provided during the first three years after receiving charter.

The Start-up cost for office Supplies for administration, including toner, paper, postage, etc. and the instructional supplies for staff, including classroom setup, students' profile setup, etc. are estimated at $250.00 each based on the previous year's experiences in preparing for the start of the new school year. ALP estimated $500 for the cost related to training, association membership. ALP is currently a member of the AZ Charter Schools Association and the membership dues for joining this organization for current year is $350 annual. There are relevant classes (both free and paid) available for charter school members to attend. ALP allocates approximately $150 start-up cost for the School Director to attend selected trainings prior to receiving charter status. Upon receiving the charter status, new ALP staff will obtain onboarding and professional development trainings from existing BeiBei Amigos Preschool staff and current ALP staff; therefore, the training and professional development costs will be provided and paid for by the existing preschool.

Parents and community volunteers will provide the bookkeeping and legal services to the school prior to receiving the charter status; therefore, there is no monetary budgeted for the AIS services. In addition, special education services will not be needed prior to August 2013. Curriculum & Resource Materials is budgeted at $2,662.80 for required purchases prior to August 2013 which included Singapore Math textbooks, workbooks, instructional guides for all grades served ($2,512.80) and Reading A-Z, Writing A-Z and Science A-Z annual subscription ($150). The budgeted numbers are based on actual quotes and previous year's invoices. ALP will not need the Library Resources/Software prior to August 2013. SAIS Software is budgeted for $10,200.00 based on the quote provided by PowerSchools from Pearson via email communication.

The total Administration, Instruction, & Support for start-up cost is budgeted at $13,862.80.

Operations & Maintenance (O&M) Expenditures

ALP will budget $3,000.00 for marketing and advertising expenses from February 2013 to August 2013 upon receiving charter status. As provided in C.2 Advertising and Promotion section, the cost associated with marketing and advertising expenses during start-up is listed in below table.

Timeline	Action Steps	Outcomes	Responsible	Cost
Feb 2013	Develop postcards, brochures, door hangers, marketing packet and press release	Printed marketing materials are ready to be distributed to target families	School Director and Board members	$1025 Estimated based on online printing company www.printplace.com
Feb 2013	Update website & existing school listing on the web	Increase awareness and name recognizing	School founder and board members	$0.00 Time donated by school founder and board members
Feb 2013	Provide school tours & conduct open house events	Increase awareness and recruiting for school year 2013-2014 as charter school	School director and board member	$0.00 Preschool director will be paid by the preschool
Feb 2013	Prepare for open enrollment procedures	Communicate open enrollment process to public	School director and board member	$0.00 Preschool director will be paid by the preschool Time donated by the board member
Feb 2013	Prepare press release and place articles and letters to editors	Increase ALP awareness	School founder and board members	$0.00 Time donated by school founder and board members
Mar 2013	Engage with local Chinese and Hispanic newspaper to advertise	Increase ALP awareness in Asian and Hispanic community	School founder and board members	$300 Estimated $150 advertising cost per newspaper based on prior advertising cost with the vendors
Mar 2013	Engage with local family magazine such as AZ Parenting and Raising AZ Kids	Increase ALP awareness	School founder and board members	$700 Estimated $350 advertising cost per magazine based on prior advertising cost

				with the vendors
Mar 2013	Director Marketing Campaign – targeted area where bilingual programs have been successful and with waitlist (e.g. Willow Creek Elementary school)	Increase ALP awareness in targeted zip codes and age group	School founder and board members	$675 Estimated from prior quote obtained from Cactus Mailing
Mar 2013	Information Session targeted to BeiBei Amigos Language Preschool parents	Increase ALP awareness and a choice for parents to continue education	School director and board member	$0.00 Preschool director will be paid by the preschool Time donated by the board member
Mar 2013	Information Session for public	Increase ALP awareness	School director and board member	$0.00 Preschool director will be paid by the preschool Time donated by the board member
Apr 2013	Distribute Door Hangers to nearby neighborhood	Increase ALP awareness	Hire "flyer guys"	$300 Estimated based on checking with local hourly labor
May-June 2013	Continue marketing efforts – public tours, phone calls to known interested parents, follow-up calls and letters to enrolled families, website update and broadcast Build email list serve Push for early enrollment	Enroll students and increase ALP awareness	School director and board member	$0.00 Preschool director will be paid by the preschool Time donated by the board member
Aug 2013	School opens as charter school	Operation	All	Charter school operation

Table 1 ALP marketing plan upon receiving charter approval.

ALP will budget $4,166.67 for lease payment plus NNN for the month prior to opening. The cost is calculated as 40% of the total lease plus NNN cost. 40% is determined as the total classroom space occupied by ALP. The cost for land & improvement, fees/permits and insurance during the start-up period will be maintained by the existing preschool; therefore, no fund is required.

The start-up Utilities (Electric, Gas, Water, Waste) cost is estimated at $480.00 which is based on 40% of the August 2011 utility cost to operate the entire site (APS & City of Phoenix). The start-up Phone/Communications/Internet Connectivity cost is estimated at $80.00 which is based on 40% of the communication cost from August 2011.

Additional student furniture & equipment during the start-up period is estimated at $3,326.28 based on quotes obtained online from www.schooloutfitters.com. There is no cost budgeted for purchasing office furniture & equipment, student and office technology equipment prior to August 2013; however, ALP will be leasing the above mentioned equipment from existing preschool at $50/month which is included in the start-up budget.

The total operations & maintenance for start-up cost is budgeted at $11,102.95.

Budget Balance

Total start-up revenue ($30,000) minus expenditures (Administration, Instruction, & Support $13,862.80 + Operations & Maintenance $11,102.95) is the budget balance of $5,034.25 which will be carry over to the first year budget.