Budget Assumptions for C5

Line	Line Description	Assumption	Viability and Adequateness
5	**STUDENT COUNT** (at full enrollment)	Student count at full enrollment is based on 30 students per group	This is the class size BASIS has found to be effective in its other schools
6	Number of Students (Budget based on)	Number of students based on budget is based on 29 students per	See next line item
7	% of Full Enrollment Budget Based On	% of full enrollment is based on prior history	BASIS schools in the last three years have always opened with a substantial waiting list of students that can be used to make up for lower-than-expected student counts. School construction is not financed by our lender unless we have substantial proven interest and registration numbers that meet budgeted projections.
12	State Funding (Equalization Assistance)	State Funding from Equalization Assistance is from Primary Budget	Comes from Projected Revenue Calculator
16	Classroom Site Fund	Classroom Site Fund is based on weighted student count @ $270 per student	JLBC projects a weighted per student amount of $295 per pupil for FY 2015. Since Classroom Site Fund is based on tax revenue collections to be conservative the budget was based on $270 per pupil.
17	Instructional Improvement Fund	Instructional Improvement Fund is based on budgeted student count @ $42 per student	Instructional Improvement Fund projections are based on historical averages found at other BASIS Schools. Since this fund is based on gaming revenue this method was considered a conservative estimate.
18	IDEA	IDEA is based on budgeted student count @ $88 per student	Schools under the New/Expansion Grant formula for IDEA. Based on this formula a figure of $88 per pupil was used to determine the average formula funding for the IDEA grant allocation.
19	Zero + Revenue (Extracurricular Activities)	Zero+ Revenue for extracurricular activities and is budgeted revenue based on $400 per budgeted student	BASIS Schools provide a robust set of extracurricular and auxilliary activities to its students. Based upon other schools over the first three years of operation it has been determned that approximately $400 per pupil is a conservative estimate of revenues generated.
25	Director/Principal (Dean)	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
26	Teacher-Regular Education	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
27	Teacher-Special Education	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
29	Instructional Assistants-Regular Education	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
30	Instructional Assistants-Special Education	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
31	Clerical (Registrar, Front Office)	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
32	Bookkeeper/Finance (Auxiliary Coordinator)	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
33	Custodial/Maintenance (Facilities Coordinator)	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
34	Other ___Technology Coordinator_____	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
35	Other ___Health Coordinator_____	Leased employee compensation has been entered on the individual line items by employee	Same annual salary used effectively at other BASIS schools in Arizona
36	Employee Benefits	Employee Benefits are estimated at 9% for taxes and 4% for benefits	Based on BASIS historical averages
37	Employee Insurance (if applicable)	Employee Insurance is estimated at 9%	Based on BASIS historical averages
38	Office Supplies (Paper, Postage, etc.)	Office Supplies assumes $40 per budgeted student with an annual increase of 1.5%	Based on BASIS historical averages
39	Instructional Consumables	Instructional Consumables assumes $50 per budgeted student with an annual increase of 1.5%	$50 per student equals $1,450 per class of 29, per year, which is sufficient for a large number of in-class projects. This is based on BASIS historical averages
40	Membership Dues, Registrations, & Travel	Membership Dues, Registrations & Travel assumes $15 per budgeted student with an annual increase of 1.5%	Based on contracted per student cost for Student Information System, Inventory System and Registration System
41	Contracted Services (AIS)	Do not have contracted services (AIS)	N/A
42	Contracted Services (Special Education)	Contracted Services (Special Education) assumes 50% of IDEA Funding	Based on BASIS historical averages with current Special Education Service Providers
43	Contracted Services (SPED initial evaluation)	Assumes 17% of all kindergarteners and 1st graders, plus an additional 5 students, will need an initial evaluation @ $680 each	Based of Flagstaff Unified percentage of students with IEPs, the highest among the districts in which BASIS operates
44	Curriculum & Resource Materials	Curriculum & Resource Materials assumes $6 per budgeted student with an annual increase of 1.5%	Based on BASIS historical averages. $174 per class of 29, sufficient for a textbook
45	Library Resources/Software	Library Resources/Software assumes $10 per budgeted student with an annual increase of 1.5%	Based on BASIS historical averages
46	SAIS Software	SAIS Software assumes .32% of annual revenue with an annual increase of 1.5%	Based on BASIS historical averages
47	Auditor Fees	Audit fees of $5000 assume annual increase of 1.5%	Based on BASIS historical cost averages with current, contracted auditor
48	Management Fee	Management Fee is 19% of Revenue for year one and 17.5% of Revenue for years two and three.	Based on BASIS current management service agreements
49	Zero + Expenses (Extracurricular activities)	Zero + Expenses assume cost of operating extracurricular activities is $260 per budgeted student or 65% of projected Zero+ revenue	Budgeted target for all BASIS Schools, based on past experience

50	Other Professional Fees	Other Professional Fees include Legal and Consulting Fees. Assumes .38% of annual revenue with an annual increase of 1.5%	Based on BASIS historical averages. Amount of >$13,000 is sufficient for more than 50 hours of top-quality legal or consulting work
51	Teacher Training and Professional Development	Teacher training and Professional Development assumes .19% of annual revenue with an annual increase of 1.5%	Based on BASIS historical averages. Covers the cost of summer teacher training.
52	External Assessments	External Assessments assumes $21 per budgeted student	Based on BASIS contracted pricing with external assessment vendor aimsweb
57	Supplies	Assumes $.20 per square foot for maintenance supplies with an annual increase of 1.5%	Based on BASIS historical averages.
58	Marketing/Advertising	Market and Advertising assumes $9 per budgeted student with annual increase of 1.5%	Based on BASIS historical averages. Amount is sufficient for three prominent print ads or a radio ad, plus the cost of production of flyers and other smaller-ticket marketing items
59	Contracted Services - O&M	Contracted services includes Janitorial, alarm monitoring, landscaping and assumes cost of $1.00 per square foot with 1.5% annual increase	Based on BASIS historical averages
60	Building Rent/Lease/Loan	Debt Service - See building assumptions	N/A
61	Building & Improvements	Building & Improvements are covered by bond funding	N/A
62	Land & Improvements	Land & Improvements are covered by bond funding	N/A
63	Fees/Permits	Fees/Permits are covered by bond funding	N/A
64	Property/Casualty Insurance	Property Insurance $7500, Umbrella Policy $8200, Flood Insurance $2,000 with an annual increase of 1.5%	Based on BASIS historical averages. Umbrella Liability covers $10m per occurrence.
65	Liability Insurance	Liability Insurance of $10,300 with an annual increase of 1.5%	Based on BASIS historical averages. Premium is sufficient for $1m coverage for each occurrence. Automobile $1m. Excess liability $10m.
66	Utilities (Electric, Gas, Water, Waste)	Utilities estimated at $1.22 per square foot with an annual increase of 1.5%	Based on BASIS historical averages
67	Phone/Communications/Internet Connectivity	Phone/Communications/Internet Connectivity estimated at $.28 per square foot with an annual increase of 1.5%	Based on BASIS historical averages
68	Transportation	Transportation is not provided at the school	N/A
69	Food Service	Food service is not provided at the school	N/A
70	Student Furniture & Other Equipment	Student Furniture and Other Equipment is purchased with construction project funds	N/A
71	Office Furniture & Other Equipment	Office Furniture & Other Equipment is purchased with construction project funds	N/A
72	Student Technology Equipment	Student Technology is estimated at $4 per budgeted student	Based on BASIS historical averages
73	Office Technology Equipment	Office Technology is estimated at $5 per budgeted student	Based on BASIS historical averages
74	Other Leases (Security, Copiers, etc.)	Leases are estimated at $13 per budgeted student with no annual increase during first three years	Based on BASIS historical averages

Additional Assumptions:			
	A	Weighted student count from Enrollment Projections Spreadsheet is 779.404	
	B	Head of School, Head of Operations, Director of Academic Programs and Director of K-4 are employed by the Management Organization and their salaries are part of the Management Fee	
	C	All other employees are employed by Management group and are leased to the school	
	D	Assumed 1.5% pay increase per year	
	E	Management Fee includes compensation for Head of School, Head of Operations, Director of Academic Programs and Director of K-4	
	F	Building size is estimated at 48,600 square feet	
	G	Maintenance is estimated at $2.70 per square foot and spread over supplies $.20, contracted services $1.00, utilities $1.22 and communications $.28	

Assumption	Amount
Total Building Debt	$7,275,322
Interest Rate	7.52%
# of Months of Capitalized Interest	9
Year of Payments	28
Capitalized Investment	$434,853
Cost of Issuance	$292,057
Total Soft Costs	*$726,910*
Total Par Value	$8,002,232
Building Size:	48,600 square feet

Building Assumptions

Explanation

Sufficient for a $1m parcel of land and $6.275m in construction costs: the BASIS historical average in Arizona
BASIS historical average interest late
Number of months capitalized interest needed to run from February to November before making first debt service payment
BASIS amortization period in past bond issues
Calculated based on interest rate and months of capitalized interest needed
Past average for BASIS bond issues
Sum of Capitalized Investment and Cost of Issuance
Sum of Total Building Debt and Total Soft Costs
BASIS building prototype for grades K-6 used at BASIS Oro Valley Primary and BASIS Tucson