C.5 Operational Expenditures & Overhead

We hope to have adequate outdoor space to accommodate the integration of *indoors* with *outdoors*. Minimally, we hope to have a garden and compost area. We did not include outdoor environment equipment and materials in our initial budgets because we have not secured space, yet. Once space is procured then we will consider these additional costs as our budget allows.

Camino Montessori has a **start-up budget of $51,800**, all of which comes from our Founder in the form of a private loan which is deferred until August, 2013. Over the past 2 years, Ms. Webster has also funded all of the costs related to forming our organization (including initial marketing needs)—an estimated $18,000—and has agreed to defer this loan amount, also, until the earliest August, 2013 (Refer to letter in *Additional Budget Documents* regarding these loans). Once authorized as a charter, our Board will aggressively pursue additional funding through grants and private/public donations.

The percentage breakdown for our **Start-up & 3 Year Operational Budget** is as follows:

	Start-up Budget February-July 2012		Year 1 2012-2013 *32.5 Students*		Year 2 2013-2014 *47.5 Students*		Year 3 2014-2015 *62.5 Students*	
	$ Allocated	***% of Budget***	***$ Allocated***	***% of Budget***	***$ Allocated***	***% of Budget***	***$ Allocated***	***% of Budget***
Total Budget	***$51,800***	***-***	***$213,251***	***-***	***$301,572***	***-***	***$401,690***	***-***
Carryover	-	-	$ 12,430	06%	$ 8,066	03%	$ 15,498	04%
State Equalization	-	-	$200,821	94%	$293,506	97%	$386,192	96%
Building-lease, utilities, insurance	$7,050	28%	$52,900	25%	$57,175	19%	$73,350	18%
Purchased Services-security, custodial & maintenance	-	-	$5,400	03%	$5,400	< 02%	$7,000	< 02%
Office & Classroom Supplies & Equipment	$7,300	14%	$1000	< 01%	$3,300	01%	$7,750	02%
Annual Audit	-	-	$1,000	< 01%	$1,000	< 01%	$1,000	< 01%
Loan Payment	-	-	-	-	$10,400	03%	$10,400	03%
Total Operations & Overhead	***$14,350***	***28%***	***$60,300***	***28%***	***$77,275***	***26%***	***$99,500***	***25%***
Balance/ Surplus	$12,430	24%	$ 8,066	04%	$ 15,498	05%	-	-

Our **State Equalization** amount comes from using the *ADE 2011 Budget--Worksheet E.III*. Our student counts were modified to account for ½ day Kindergarten funding (15 K's/2=7.5). The total budget amounts include the State Equalization and Carryover amounts from each year. State funding currently accounts for approximately 95% of our annual budgets. The operational expenditures and overhead for our start up and 3 year operational budgets averages out to approximately 26% of our budget.

Building-Lease, Utilities, Insurance & Fees

Upon charter authorization we will begin looking for space to accommodate our first 3 years of operation. In Maricopa the retail/commercial space is currently $10-$30 per square foot. We hope to

negotiate our rate at maximum $10 per square foot. We plan to canvas churches to see if there is an opportunity for Camino to sublet the first few years. There are also a couple of developments which might be willing to work with us since we are a non-profit school (refer to section C.1). Ideally, we will be able to negotiate some break in our utility costs, which are also cover a wide range in cost ($500-$1,200/mo). In calculating our lease we estimated $40,000 for first two years with an increase in our 3rd year to accommodate an additional classroom. Utilities include gas, electric, water, sewage, and waste, and are estimated at $700/mo. Our Start-up Budget includes initial fees, deposits, and initial set up costs for our lease, utilities, phone/internet, and zoning/legal requirements. We plan to secure our lease agreement no later than April, 2012 which we hope allows us enough time to meet all of the City of Maricopa requirements.

We estimated our insurance costs by using information found for other charter schools in the area and anticipated $125 per student. We will purchase by July, 2012 to ensure the school is fully covered as required by August 1, 2012. We still need to select an insurance agent/broker and plan to research our options during the time we are looking for and finalizing our lease agreement.

Purchased Services--Security, Custodial & Maintenance

We do not plan on hiring custodial and/or maintenance personnel until sometime in our 3rd-5th year of operation. Until then our staff and student community will be responsible for the upkeep and routine care of our environments. We planned and budgeted for occasional custodial services (4 times/month) and routine maintenance needs which may arise.

Security costs will depend on our final site's layout, set up, and needs. We are unsure what the initial set up costs will be to ensure a secure system is installed. It may be occupant ready, or not. We have allotted $1000 per month for this service, and will adjust our budget if necessary.

Office & Classroom Supplies & Equipment

We budgeted for both classroom and office supplies (paper, pencils, staplers, tape, markers, binders, etc.) in both the start-up and 3 year operational budgets. Major expenses for the purchase of a copier, laminating machine, and student computer are included in our start-up budget. We will need these by July, 2012 in order to begin making materials and assembling orientation, parent, student, packets, etc.

We were conservative and allotted $2000 per month total in these areas. We plan to include an optional student supply request in our "back to school" communications, and also to solicit donations from local businesses such as Target, Home Depot, etc. We already have many classroom items, such as butcher paper, card stock, dry erase markers, dry erase boards, bulletin boards, etc., and will continue to stockpile these items prior to opening in August.

Annual Audit

Camino Montessori will comply with all accounting, reporting and audit requirements as specified by the Arizona Department of Education and The Office of the Auditor General. We estimated $1000/month based on information received from our accountant.

Payment of Loans

Our loan for start-up is deferred until the 2nd year, at the earliest. We anticipate beginning payments in August, 2013 and for payments to cover a 60 month (5 year) period. (Please refer to letter *Additional Budget Documents*)

TIMELINE ATTACHED

START UP TO INCEPTION ADMINISTATIVE TIMELINES	Jun2010-Jul 2011	Aug-Dec 2011	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Complete & submit charter	X									
Community Development										
Mktg. & Advertizing Campaign				X	X	X	X	X	X	X
Mailing--Brochures, postcards				X						
Media--press releases & adv.										
Canvas preschools & businesses										
Website development		X	X	X	X	X	X	X	X	X
Outreach to Comm. Leaders					X	X	X	X	X	X
Enrollment Campaign				X	X	X	X	X	X	X
Open Houses & Inform. Mtgs.					X	X	X	X	X	
"Grand Opening"										X
Board Governance										
Est. Board Process & Rules of				X	X					
Est. Annual Reports & Reviews				X	X	X				
Meeting Schedule/Calendar				X	X					
Develop 3-5 year Strategic Plan				X	X	X	X	X	X	
Define Budget Approval Cycle				X	X			X	X	
Develop Board Handbook							X			
Recruit New Members (local)									X	X
Human Resources										
Recruit					X	X	X			
Hire							X	X		
Train									X	X
Develop Job Descriptions		X	X	X						
Develop Emp. Handbook		X	X	X	X	X	X	X		
Develop Staff Evaluation		X	X	X			X	X		
Finalize Optional ERE (PTO)				X	X					
Develop Staff Orientation						X	X	X	X	
Professional Devel. Plan &								X	X	
Staff Records									X	
Facilities										
Find space to accommodate 1st			X	X	X					
Procure lease agreement				X	X	X				
Set up utilities--water, electric,								X	X	
Set up phones & internet								X	X	
Purchase insurance--									X	
Recruit parent & community volunteers for set up needs--					X	X	X	X	X	X
Required fees & licenses--City of			X	X	X	X	X	X	X	X
Certificate of Occupancy									X	
Finance										
Deposit secured funds in bank				X						
Set up chart of accounts		X	X	X	X					
Develop purchasing procedure			X	X						
Estimated student counts to									X	
Contract w/payroll company								X	X	
Develop payroll procedures								X	X	
Contract w/SAIS provider									X	X

START UP TO INCEPTION ADMINISTATIVE TIMELINES	Jun2010-Jul 2011	Aug-Dec 2011	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Establish SAIS procedure &									X	X
Operations & Mgt.										
Set up reception/office area									X	X
Purchase copier and laminator									X	
Purchase classroom furniture,						X	X	X	X	X
Purchase classroom computer								X	X	
Make materials								X	X	X
Programs										
Finalize contract with Special				X						
Develop intial student							X	X	X	
Spec. Ed/ELL orientation									X	
Arrange for beginning of the									X	X
Develop initial Student Success Team (SST) process & guidelines		X					X	X	X	
Develop curricular handbook--linked to PMP Math/Rdg		X					X	X	X	X
Year & Month at a glance									X	X
Beginning of the year plans									X	X
Student Records & Data										
back to school event--"Meet the										X
Set up student perm. Records									X	
Student data entry for MRX &									X	X
Develop student handbook		X							X	X
Parent Education										
Parent Orientation										X
On-going parent education										X
Website as parent resource		X	X	X	X	X	X	X	X	X