C.4 Start-up Budget Assumptions

Desert Star Academy has projected a $10,000.00 start-up budget. The funds will be loaned to the Desert Star Academy, Inc. from Timothy Cardinal. The loan will be utilized beginning in January, 2013 following the approval of the charter application. The re-payment terms consists of the first payment coming due in the fourth year of operation with a 5% return on the investment. The loan will be repaid in full on the last day of the fiscal year 2018.

The start-up budget is extremely conservative due to the fact that a large amount of money was previously spent on equipment, supplies and curriculum when the Desert Star Preschool opened. The directors made the decision to take advantage of quantity discounts on curriculum, supplies and equipment. A large portion of furniture will be donated by a local school at the time of closing. Student and classroom furniture, teacher furniture, miscellaneous shelves, and overheads were all donated to the non-profit corporation, Desert Star Academy, Inc.

Personnel and Salaries

Teachers will be participating in the staff development during the month July prior to the first official day of school. Each teacher will be paid a stipend of $1,000.00 for their services. The stipend will be paid on the first payday in August and is budgeted in the three year operational budget. The decision was made to pay each teacher a stipend rather than budgeting start-up monies because the teachers that will be hired are veteran, experienced teachers already employed by other districts and receiving compensation during the month of July. The $4,000.00 to be paid to the teachers for staff development and training is budgeted in the three-year operational budget; therefore the money will not be budgeted in the start-up costs.

Instructional Supplies ($800)

$800.00 was budgeted for instructional supplies. Each teacher will have a $200 limit to purchase incidental supplies for their classroom. Supplies will be ordered or purchased from a local teacher supply store during the month of July when the teachers report for staff development and classroom set-up.

Curriculum and Resource Supplies ($1,200)

$1,200 was budgeted to purchase Wilson Foundations for the first and second grade classrooms. The remaining curriculum was previously purchased at the time the preschool curriculum was purchased. Desert Star Academy has a line of credit established with McMillan-McGraw Hill and Educators Publishing to purchase curriculum for grades two through sixth. The credit terms are a net 30. Materials will be ordered in mid-June, delivered in mid-July with payment due in August when the ADM money will be received. Math the language arts resources were donated by a local school that closed in spring of 2011.

Supplies ($250)

$250 was budgeted to purchase incidental miscellaneous supplies needed by the teachers as they set up their classrooms. Many supplies were donated to the school by a teacher was retired in 2011 and by the local school closing at the end of school year 2010-2011. Supplies will be purchased locally during the month of July.

Marketing and Advertising

A marketing and advertising start-up was not projected. Desert Star Preschool will pay for all marketing and advertising products immediately following the charter approval in January and continuing through September 2013 when the Desert Star Academy budget will be utilized. Posters, flyers, mailers and booth presentations will be purchased and utilized beginning in January, upon charter approval.

Building and Improvements ($500)

$500 was budgeted for immediate improvements that will need to be made to the buildings. Based on the estimated square footage needed for the first year it will cost $125.00 to buy paint to repaint if needed. Other anticipated needs may be backpack hooks which would cost $95.00 for the hardware and hardware to hang white boards or other classroom fixtures.

Fees and permits ($500)

$500 was budgeted to pay for any fees and permits required to operate an educational organization. A $75.00 fee will be required by Mohave County to obtain a "Change of Occupancy" permit. The remaining money will be available for unforeseen expenses that may arise as Desert Star Academy, Inc. nears operation.

Property, Casualty and Liability Insurance ($1,000)

$1,000 has to be budgeted out of the start-up fees for liability and property insurance on the new location and initial equipment for the month of July. Monthly payments will be budgeted out of the three-year operational budget.

Utilities deposits

There is not a need to budget for deposits. Desert Star Preschool has established credit with Mohave Electric Cooperative for the electricity and a deposit will not be required. The same is true for Frontier Communications. The deposits will be waived due to continued service from the preschool.

Phone / Communication / Internet Connectivity ($875)

$800.00 is budgeted for the internet connections for office and student computers. The estimate was based on a quote from Mohave Broadband. There will also be a $75.00 transfer fee to move the service from the preschool location to the new location. The transfer will take place toward the end of June or first part of July.

Student Technology Equipment ($1500)

$1,500 was budgeted to purchase student tablets for the fifth and sixth grades. An initial investment of six will be purchased. Computers, mimios, and projectors will be purchased in the month of July to be delivered at the end of July for the start of school. A credit line has been established with Backbone Communications. Backbone will invoice Desert Star Academy with a net 30 account for the majority of technology equipment.

Office Technology Equipment

There office technology equipment will be shared with Desert Star Preschool. Currently all of the office equipment and furniture is purchased and in use.

Student Furniture

All of the student furniture is being donated by a local school that has closed this past year. Student desks, chairs and learning tables for 75 students will be received in July of 2013, upon approval of the charter application. The kindergarten and first grade classroom furniture was purchased in January of 2012 with the furniture for the preschool, therefore money was not budgeted in the start-up for initial furniture.