C.5 Operational Expenditures/Overhead

Incito Schools brings a total of $70,000.00 for Start-up funds based on a $30,000 loan from The Rock of Refuge Corporation and $40,000 loan from Judith Boch. Repayment of these loans will begin following year three of the school's operation through negotiations with the Corporate Board. We hope to have continued donations and grant funding upon charter approval and will work rigorously to secure it. We have a solid start up fund, a supportive partnership The Rock of Refuge Corporation, numerous donated items and dedicated parents, and dedicated community members and board members.

Incito Schools has developed an operating budget that is based on a conservative set of assumptions to create a strong business model that will carry the organization through the current challenging economic times. The revenue included in the operating budget is based on state equalization formula that was passed in the 2010 legislative session. Although Incito Schools will apply for entitlement funds, they are not included in the budget. General expenditure assumptions include 1) Student costs increase in years two and three by the percentage increase of students from the prior year; 2) All salaries include a 2% or more increase from year to year. All other assumptions are specific to each line item and are included in the Start-Up and Three Year Budgets tables below:

Incito Schools Start-Up Budget	
EXPENDITURES	**ASSUMPTIONS**
Operations & Maintenance:	
Supplies	Supplies donated by Rock of Refuge Corporation. These supplies include daily cleaning supplies.
Marketing/Advertising	Budgeted for pamphlets, brochures, food at marketing events, post cards, etc. Print media experience and printing costs will covered through donations by the Executive Directors. The Rock of Refuge Corporation has agreed to financial support with Marketing/Advertising (see Partnership Agreement with Rock of Refuge Corporation). The Executive Directors, in collaboration with the Business Manager, will obtain 3 quotes/estimates from possible printing companies and provide these to the Corporate Board for a decision. Upon Charter approval (January 2012), the purchasing process will begin as soon as possible in order to continue advertising and marketing for Incito Schools.
Purchased Services (Contracted Services, Custodial/Maintenance)	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1.
Building Rent/Lease/Loan (Deposits/Monthly)	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1.
Building & Improvements	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1.
Land & Improvements	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment

	due Year 1.
Fees/Permits	Budgeted for state use taxes, fees, etc. The Rock of Refuge Corporation has agreed to split the cost of the fees associated with the facility, city of Goodyear, and certificate of Occupancy. The Executive Directors will immediately begin process for acquiring all permits and preparing fees for expenses related to beginning operation upon approval of Charter.
Property/Casualty Insurance	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1. The Executive Directors will obtain 3 quotes from insurance agents by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for acquiring proper insurance coverage prior to students and staff on site.
Liability Insurance	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1. The Executive Directors will obtain 3 quotes from insurance agents by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for acquiring proper insurance coverage prior to students and staff on site.
Utilities - Deposits/Monthly (Electric, Gas, Water, Waste)	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1. The Executive Directors and the Rock of Refuge Corporation will obtain 3 quotes from vendors by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for purchasing these services and negotiating a monthly payment plan. The Rock of Refuge Corporation will pay the cost of this expense prior to Year 1 payment. In future years, Incito Schools and the Rock of Refuge Corporation will share the cost of this expense as decided upon in the "in process" lease agreement.
Phone/Communications/Internet Connectivity (Deposits/Monthly)	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement, payment due Year 1. The Executive Directors and the Rock of Refuge Corporation will obtain 3 quotes from vendors by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for purchasing these services and negotiating a monthly payment plan. The Rock of Refuge Corporation will pay the cost of this expense prior to Year 1 payment. In future years, Incito Schools and the Rock of Refuge Corporation will share the cost of this expense as decided upon in the "in process" lease agreement.
Student Furniture & Other Equipment	In the process of verbal lease negotiations with The Rock of Refuge Corporation. This line item will be included in the lease agreement. Incito Schools has budgeted money for any additional furniture needed specific to school that will not be provided by the Rock of Refuge Corporation. The Executive Directors will compile a list of needed student furniture along with 3 quotes from vendors by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for the purchasing process which will begin immediately after board approval. The Executive Directors will order these materials immediately to ensure that furniture arrives prior to June 2013. When the Business Manager is hired (March 2013), he/she will support with maintaining this line item.

Office Furniture & Other Equipment	Budgeted for purchase of basic office furniture, outside of donated items from The Rock of Refuge Corporation. The Executive Directors will compile a list of needed office furniture along with 3 quotes from vendors by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for the purchasing process which will begin immediately after board approval. The Executive Directors will order these materials immediately to ensure that furniture arrives prior to June 2013. When the Business Manager is hired (March 2013), he/she will support with maintaining this line item.
Student Technology Equipment	Student computers donated by The Rock of Refuge Corporation. Executive Directors plan to apply for several technology grants. The Rock of Refuge Corporation has agreed to purchase a mobile laptop lab with 30 student computers, portable projectors, and a class set of digital cameras.
Office Technology Equipment	Budgeted for purchase of at least three front office computers. The Executive Directors will obtain 3 quotes from vendors by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for the purchasing process which will begin immediately after board approval. The Executive Directors will order these computers immediately to ensure that the computers are available for office use as soon as possible. The Executive Directors recognize that these computers will be used to enroll students and enter student data and ensure a smooth start to the school year. When the Business Manager is hired (March 2013), he/she will support with maintaining this line item and future purchasing.
Other Leases/Loans (Security, Copiers, etc.)	Budgeted for copy machine. The Executive Directors will obtain 3 quotes from vendors by January 2013, which will be approved by the Corporate Board. The Executive Directors will be responsible for the purchasing process which will begin immediately after board approval. The Executive Directors will negotiate the copier lease immediately to ensure that a copier is available for office use by April 2013as soon as possible. The Executive Directors recognize that this copier will be used to enroll students and prepare copied materials to ensure a smooth start to the school year. When the Business Manager is hired (March 2013), he/she will support with maintaining this line item and future copy machine leases and/or purchases.

Incito Schools Three Year Budget			
EXPENDITURES	**Year 1 Assumptions**	**Year 2 Assumptions**	**Year 3 Assumptions**
Operations & Maintenance:			
Supplies	The budgeted amount is based on similar sized schools for cleaning and sanitary supplies.	The budgeted amount is based on similar sized schools for cleaning and sanitary supplies.	The budgeted amount is based on similar sized schools for cleaning and sanitary supplies.

Timeline:	A list of cleaning and sanitary supplies will be compiled by the Executive Directors. The Executive Directors will direct the Business Manger to order these supplies on a monthly basis. Starting July 2013, the Business Manager will obtain 3 quotes from possible vendor and begin the purchasing process.	A list of cleaning and sanitary supplies will be compiled by the Executive Directors. The Executive Directors will direct the Business Manger to order these supplies and maintain this line item on a monthly basis.	A list of cleaning and sanitary supplies will be compiled by the Executive Directors. The Executive Directors will direct the Business Manger to order these supplies and maintain this line item on a monthly basis.
Marketing/Advertising	The budgeted amount is based on an estimate from local printing companies. Upon charter approval, the Corporate Board will review estimates from companies and select a printing company.	The budgeted amount is based on an estimate from local printing companies. Upon charter approval, the Corporate Board will review estimates from companies and select a printing company.	The budgeted amount is based on an estimate from local printing companies. Upon charter approval, the Corporate Board will review estimates from companies and select a printing company.
Timeline:	The Business Manager will obtain a new printing quote based on Year 1 Marketing /Advertising needs (provided by the Executive Directors). The Business Manager will begin the purchasing process in July 2013 and will maintain this line item on a monthly basis.	Ongoing Marketing/Advertising costs will be revisited by the Executive Directors on a monthly basis and associated costs will be communicated to the Corporate Board. The Executive Directors will be responsible for communicating Marketing/Advertising cost needs to the Rock of Refuge Corporation in order to maintain financial support. The Business Manager will maintain this line item on a monthly basis.	Ongoing Marketing/Advertising costs will be revisited by the Executive Directors on a monthly basis and associated costs will be communicated to the Corporate Board. The Executive Directors will be responsible for communicating Marketing/Advertising cost needs to the Rock of Refuge Corporation in order to maintain financial support. The Business Manager will maintain this line item on a monthly basis.
Purchased Services (Contracted Services, Custodial/Maintenance, Special Education)	The budgeted amount is based on similar sized schools and estimates from custodial services in the local area.	The budgeted amount is based on similar sized schools and estimates from custodial services in the local area.	The budgeted amount is based on similar sized schools and estimates from custodial services in the local area.
Timeline:	The Executive Directors, in collaboration with the Business Manager, will define Incito Schools custodial needs by June	The Executive Directors will ensure that Incito School's custodial needs are clearly communicated with custodial purchased	The Executive Directors will ensure that Incito School's custodial needs are clearly communicated with custodial purchased

	2014. The Rock of Refuge will support with the costs of custodial needs in 2013.The Business manager will obtain 3 quotes in June 2014 and begin the purchasing process in July 2014. The Executive Directors will ensure that Incito School's custodial needs are clearly communicated with custodial purchased services. This Business Manager will maintain this line item on a monthly basis. Includes 67 hours of ancillary special education contracted services at a rate of $75.00 per hour (quote obtained by provider). The special education population of the schools that currently serve the zip code of 85338 ranges from 7-11% of the schools' average daily membership. Incito's budget assumes that the student population will be served by the SPED director/teacher and the SPED contractor when needed .	services. This Business Manager will maintain this line item on a monthly basis.	services. This Business Manager will maintain this line item on a monthly basis.
Timeline:	Special Education Services will be budgeted based on special education enrollment and will begin as soon as needed in 2013-2014.	Special Education Services will be budgeted based on special education enrollment and will begin as soon as needed in 2014-2015.	Special Education Services will be budgeted based on special education enrollment and will begin as soon as needed in 2015-2016.
Building Rent/Lease/Loan	The budgeted amount is based on an estimate for the cost of leasing from The Rock of Refuge Corporation. Incito Schools is in the process of verbal negotiations regarding a lease agreement with The Rock of Refuge Corporation. An agreed upon lease agreement will be completed and signed by Summer/Fall	The budgeted amount is based on an estimate for the cost of leasing from The Rock of Refuge Corporation. Incito Schools in the process of verbal negotiations regarding a lease agreement with The Rock of Refuge Corporation. An agreed upon lease agreement will be	The budgeted amount is based on an estimate for the cost of leasing from The Rock of Refuge Corporation. Incito Schools in the process of verbal negotiations regarding a lease agreement with The Rock of Refuge Corporation. An agreed upon lease agreement will be

	2012.	completed and signed by Summer/Fall 2012.	completed and signed by Summer/Fall 2012.
Timeline:	The Rock of Refuge Corporation has agreed to lease portable buildings at a low cost based on year 1 need. The lease payments will begin August 2013; although, Incito will have use of the facility starting March 2013Incito Schools and The Rock of Refuge Corporation recognize that the lease will increase over time to reach the desired cost of $1 per square foot (See Partnership Agreement)	The Rock of Refuge Corporation has agreed to lease portable buildings at a low cost based on year 2 need. Incito Schools and The Rock of Refuge Corporation recognize~~s~~ that the lease will increase in overtime to reach the desired cost of $1 per square foot.	The Rock of Refuge Corporation has agreed to lease portable buildings at a low cost based on year 3 need. Incito Schools and The Rock of Refuge Corporation recognize~~s~~ that the lease will increase in overtime to reach the desired cost of $1 per square foot.
Building & Improvements/Equip Repair/Maintenance	The budgeted amount is based on an estimate for the cost of building and equipment repair. Incito Schools is in the process of verbal negotiations regarding a lease agreement with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	The budgeted amount is based on an estimate for the cost of building and equipment repair. Incito Schools is in the process of verbal negotiations regarding a lease agreement with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	The budgeted amount is based on an estimate for the cost of building and equipment repair. Incito Schools is in the process of verbal negotiations regarding a lease agreement with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.
Timeline:	Incito Schools and The Rock of Refuge Corporation will meet annually to discuss any building and improvement or maintenance costs. The Rock of Refuge Corporation has agreed to be responsible for overseeing these needs.	Incito Schools and The Rock of Refuge Corporation will meet annually to discuss any building and improvement or maintenance costs. The Rock of Refuge Corporation has agreed to be responsible for overseeing these needs.	Incito Schools and The Rock of Refuge Corporation will meet annually to discuss any building and improvement or maintenance costs. The Rock of Refuge Corporation has agreed to be responsible for overseeing these needs.
Fees/Permits	The budgeted amount is based on an estimate for the cost of possible fees or permits and state use tax. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include any fees or permits, with The Rock of Refuge Corporation. The cost of this	The budgeted amount is based on an estimate for the cost of possible fees or permits and state use tax. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include any fees or permits, with The Rock of Refuge Corporation. The	The budgeted amount is based on an estimate for the cost of possible fees or permits and state use tax. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include any fees or permits, with The Rock of Refuge Corporation. The

	line item will be included in the lease agreement.	cost of this line item will be included in the lease agreement.	cost of this line item will be included in the lease agreement.
Timeline:	Incito Schools and The Rock of Refuge Corporation will meet annually to discuss any fees/permits. The Rock of Refuge Corporation has agreed to financially support Incito Schools with this cost.	Incito Schools and The Rock of Refuge Corporation will meet annually to discuss any fees/permits. The Rock of Refuge Corporation has agreed to financially support Incito Schools with this cost.	Incito Schools and The Rock of Refuge Corporation will meet annually to discuss any fees/permits. The Rock of Refuge Corporation has agreed to financially support Incito Schools with this cost.
Property/Casualty/Liability Insurance	The budgeted amount is based on an estimate for the cost of property/casualty/liability insurance from *A. Dupey Insurance Company*. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include property/casualty insurance, with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	The budgeted amount is based on an estimate for the cost of property/casualty/liability insurance from *A. Dupey Insurance Company*. . Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include property/casualty insurance, with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	The budgeted amount is based on an estimate for the cost of property/casualty/liability insurance from *A. Dupey Insurance Company*. . Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include property/casualty insurance, with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.
Timeline:	The Executive Directors will begin the process of obtaining a minimum of 3 quotes in January 2013. The Executive Directors will be directly responsible for acquiring proper insurance. The Rock of Refuge Corporation is directly responsible for the payment of property insurance.	The Executive Directors will be directly responsible for the continuation of required insurance. The Business Manager will manage this line item monthly. The Rock of Refuge Corporation will continue to be responsible for the payment of property insurance.	The Executive Directors will be directly responsible for the continuation of required insurance. The Business Manager will manage this line item monthly. The Rock of Refuge Corporation will continue to be responsible for the payment of property insurance.
Utilities	The budgeted amount is based on an estimate for the cost of utilities from APS. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include a shared, agreed upon amount for utilities	The budgeted amount is based on an estimate for the cost of utilities from APS. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include a shared, agreed upon amount for	The budgeted amount is based on an estimate for the cost of utilities from APS. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include a shared, agreed upon amount for

	with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	utilities with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	utilities with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.
Timeline:	Upon Charter approval, the Executive Directors will meet with the leadership of the Rock of Refuge Corporation to establish a written agreement for payment of utilities. This meeting will take place in January/February 2013. The Executive Directors will be directly responsible for ensuring that Incito's portion of the utilities payment is provided on a monthly basis.	The Business Manager will be directly responsible for managing this line item and will provide a monthly budget report to the Executive Directors and Corporate Board.	The Business Manager will be directly responsible for managing this line item and will provide a monthly budget report to the Executive Directors and Corporate Board.
Phone/Communications/Internet	The budgeted amount is based on an estimate for the cost of phones, communications, and internet connection from Cox Bundle. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include a shared, agreed upon amount for phones, communications, and internet connection with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	The budgeted amount is based on an estimate for the cost of phones, communications, and internet connection from Cox Bundle. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include a shared, agreed upon amount for phones, communications, and internet connection with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.	The budgeted amount is based on an estimate for the cost of phones, communications, and internet connection from Cox Bundle. Incito Schools is in the process of verbal negotiations regarding a lease agreement, which will include a shared, agreed upon amount for phones, communications, and internet connection with The Rock of Refuge Corporation. The cost of this line item will be included in the lease agreement.
Timeline:	Upon Charter approval, the Executive Directors will meet with the leadership of the Rock of Refuge Corporation to establish a written agreement for payment of phone/communications/internet. This meeting will take place in January/February 2013. The Executive Directors will be directly responsible for ensuring that	The Business Manager will be directly responsible for managing this line item and will provide a monthly budget report to the Executive Directors and Corporate Board.	The Business Manager will be directly responsible for managing this line item and will provide a monthly budget report to the Executive Directors and Corporate Board.

	Incito's portion of this payment is provided on a monthly basis.		
Transportation	There is no budgeted amount due to the fact that Incito Schools will not be providing transportation.	There is no budgeted amount due to the fact that Incito Schools will not be providing transportation.	There is no budgeted amount due to the fact that Incito Schools will not be providing transportation.
Food Services	There is no budgeted amount due to the fact that Incito Schools will not be providing lunch. Students are required to bring their own lunch.	There is no budgeted amount due to the fact that Incito Schools will not be providing lunch. Students are required to bring their own lunch.	There is no budgeted amount due to the fact that Incito Schools will not be providing lunch. Students are required to bring their own lunch.
Student Furniture and other Equipment	The cost of this line item will be included in the lease agreement with The Rock of Refuge Corporation. This corporation has already secured initial student furniture and equipment and Incito Schools will have initial student furniture as reflected in the Start Up Budget.	The cost of this line item will be included in the lease agreement with The Rock of Refuge Corporation.	The cost of this line item will be included in the lease agreement with The Rock of Refuge Corporation.
Timeline:	The Executive Directors, in collaboration with the Business Manager, will assess additional costs and needs for student furniture and other equipment by May 2013 and will place additional orders at that time in order to be prepared for the upcoming school year.	The Executive Directors, in collaboration with the Business Manager, will assess additional costs and needs for student furniture and other equipment by May 2014 and will place additional orders at that time in order to be prepared for the	The Executive Directors, in collaboration with the Business Manager, will assess additional costs and needs for student furniture and other equipment by May 2015 and will place additional orders at that time in order to be prepared for the
Office Furniture & Other Equipment	The budgeted amount is based on any additional office furniture that may be needed after initial purchase of furniture (reflected in Start-Up Budget). The Rock of Refuge Corporation has	The budgeted amount is based on any additional office furniture due to increase of front office employees.	The budgeted amount is based on any additional office furniture due to increase of front office employees.

	secured office furniture and equipment for Incito Schools.		
Timeline:	The Executive Directors, in collaboration with the Business Manager, will assess additional costs and needs for office furniture and other equipment by May 2013 and will place additional orders at that time in order to be prepared for the upcoming school year.	The Executive Directors, in collaboration with the Business Manager, will assess additional costs and needs for office furniture and other equipment by May 2014 and will place additional orders at that time in order to be prepared for the upcoming school year.	The Executive Directors, in collaboration with the Business Manager, will assess additional costs and needs for office furniture and other equipment by May 2015 and will place additional orders at that time in order to be prepared for the upcoming school year.
Student Technology Equipment	The Rock of Refuge Corporation has agreed to purchase mobile laptop lab, projectors, and student digital cameras (see Partnership Agreement). Also, the Executive Directors plan to apply for several technology grants. This budgeted amount is based on any additional student technology needs. Incito Schools has already secured animation and recording software for student and teacher use.	The Rock of Refuge Corporation has agreed to purchase mobile laptop lab, projectors, and student digital cameras (see Partnership Agreement). Also, the Executive Directors plan to apply for several technology grants. This budgeted amount is based on any additional student technology needs. Incito Schools has already secured animation and recording software for student and teacher use.	The Rock of Refuge Corporation has agreed to purchase mobile laptop lab, projectors, and student digital cameras (see Partnership Agreement). Also, the Executive Directors plan to apply for several technology grants. This budgeted amount is based on any additional student technology needs. Incito Schools has already secured animation and recording software for student and teacher use.
Timeline:	The technology order for these materials will be discussed with the Executive Directors, but will be placed through the Rock of Refuge Corporation no later than March 2013.	Any additional technology items will be ordered by the Business Manager by March of 2014.	Any additional technology items will be ordered by the Business Manager by March of 2015.
Office Technology Equipment	There is no budgeted amount due to the fact that initial office technology was purchased with Start-Up Budget (computer for front office).	The budgeted amount is based on increased employment in the front office and will allow for purchase of additional computers.	The budgeted amount is based on increased employment in the front office and will allow for purchase of additional computers.
Timeline:	The need for additional office technology equipment will assessed by the Executive Directors. If	The need for additional office technology equipment will assessed by the Executive	The need for additional office technology equipment will assessed by the Executive

	needed, an order will be placed at the beginning of next school year.	Directors. If needed, an order will be placed by July prior to the start of the school year.	Directors. If needed, an order will be placed by July prior to the school year.
Other Leases/Loans (copiers)	This budgeted amount is based on estimates from IKON dealers in the local area.	This budgeted amount is based on estimates from IKON dealers in the local area.	This budgeted amount is based on estimates from IKON dealers in the local area.
Timeline:	The Business Manager will maintain direct contact with this vendor and ensure all copy repairs, leases/loans, etc. are maintained.	The Business Manager will maintain direct contact with this vendor and ensure all copy repairs, leases/loans, etc. are maintained.	The Business Manager will maintain direct contact with this vendor and ensure all copy repairs, leases/loans, etc. are maintained.