Applicant Name:__Open Doors Community School_____

	First Year			Second Year			Third Year		
STUDENT COUNT			**125**			**200**			**300**
Number of Students (Budget based on)			**105**			**158**			**230**
	Budgeted % ADM		84%			79%			77%
CARRYOVER (Balance from Start-Up Budget in year 1 or previous year)			$28,539			$4,901			$252
REVENUE			**$ Amount**			**$ Amount**			**$ Amount**
State Funding (Equalization Assistance)			$571,430			$886,414			$1,264,510
Secured Funds - Private Donations			$			$			$
Secured Funds - Loans			$			$			$
Secured Funds - Other (Specify)			$			$			$
Total Revenue			$571,430			$886,414			$1,264,510
EXPENDITURES	**# of Staff**	**@ Salary**	**Total**	**# of Staff**	**@ Salary**	**Total**	**# of Staff**	**@ Salary**	**Total**
1. Administration, Instruction, & Support:									
Salaries									
Director/Principal	1.00	$ 56,000	$56,000	1.00	$ 57,700	$57,700	1.00	$ 59,400	$59,400
Lead Teacher/Curriculum Director	1.00	$ 44,000	$44,000	1.00	$ 45,300	$45,300	1.00	$ 46,700	$46,700
Teacher-Regular Education	3.00	$ 32,000	$96,000	7.00	$ 33,000	$231,000	12.00	$ 34,000	$408,000
Teacher-Special Education	1.00	$ 36,000	$36,000	1.00	$ 37,100	$37,100	1.00	$ 38,200	$38,200
Teacher/Director Incentive Pay			$11,600			$18,585			$27,570
Instructional Assistants-Regular Education	-	$ -	$	-	$ -	$	2.00	$ 11,000	$22,000
Instructional Assistants-Special Education	-	$ -	$	-	$ -	$	1.00	$ 21,000	$21,000
Office Manager/Registrar	0.50	$ 21,000	$10,500	0.50	$ 21,600	$10,800	1.00	$ 22,200	$22,200
Bookkeeper/Finance	0.50	$ 37,000	$18,500	0.50	$ 38,100	$19,050	0.50	$ 39,200	$19,600
Chief Financial Officer	0.25	$ 58,000	$14,500	0.25	$ 59,700	$14,925	0.25	$ 61,500	$15,375
Executive Director (AzYP)	0.10	$ 75,000	$7,500	0.10	$ 77,300	$7,730	0.10	$ 79,600	$7,960
Custodial/Maintenance	-	$ -	$	-	$ -	$	-	$ -	$
Employee Benefits (Required Employer Contributions)			$73,650			$110,548			$172,001
Employee Insurance (if applicable)			$			$			$
Office Supplies (Paper, Postage, etc.)			$4,800			$4,940			$5,090
Instructional Supplies			$3,750			$6,000			$9,000
Membership Dues, Registrations, & Travel			$22,856			$24,775			$25,925

*Any expense incurred will be covered by AzYP

Purchased Services (Contracted Services, Accounting Services, Legal, Consultants, etc.)*			$			$			$
Purchased Services (Special Education)			$24,000			$16,000			$14,000
Curriculum & Resource Materials			$2,500			$34,400			$38,000
Library Resources/Software			$			$5,000			$7,500
SAIS Software			$1,000			$1,000			$1,000
Auditor Fees*			$			$			$
Other (Specify) - Assessment Tool			$8,000			$9,000			$10,000
Total Administration, Instruction, & Support			$435,156			$653,853			$970,521
EXPENDITURES			**Total**			**Total**			**Total**
2. Operations & Maintenance:									
Supplies			$3,000			$3,090			$3,180
Marketing/Advertising			$12,450			$16,450			$12,450
Purchased Services (Contracted Services, Custodial/Maintenance)			$12,000			$15,380			$21,230
Building Rent/Lease/Loan			$63,850			$92,500			$141,450
Building & Improvements			$5,000			$5,150			$5,300
Land & Improvements			$			$			$
Fees/Permits			$			$			$
Property/Casualty Insurance*			$			$			$
Liability Insurance			$3,342			$3,440			$3,540
Utilities (Electric, Gas, Water, Waste)			$13,020			$17,240			$23,790
Phone/Communications/Internet Connectivity			$5,400			$5,560			$5,730
Transportation			$12,000			$17,000			$24,000
Food Service			$			$			$
Student Furniture & Other Equipment			$			$20,300			$7,000
Office Furniture & Other Equipment			$			$1,500			$
Student Technology Equipment			$			$8,250			$3,750
Office Technology Equipment			$			$1,500			$
Other Leases/Loans (Security, Copiers, etc.)			$9,450			$9,450			$9,450
Other (Specify) Debt Retirement			$20,400			$20,400			$20,400
Total Operations & Maintenance			$159,912			$237,210			$281,270
Total Expenditures			$595,068			$891,063			$1,251,791
Total Revenues (& Fund Balance)			$599,969			$891,315			$1,264,762
			$571,430			$886,414			$1,264,510
Budget Balance (Revenues-Expenditures)			$4,901			$252			$12,971

*Any expense incurred will be covered by AzYP

Open Doors Community School

Operations Budget Narrative

Revenue

State Funding (Equalization Assistance): The numbers are as follows and are calculated based on the Average Daily Membership (ADM): Year 1 = **$571,430** with 105 students and five classrooms; Year 2 = **$886,414** with 158 students and eight classrooms; and Year 3 = **$1,264,510** with 230 students and 12 classrooms. These dollars were derived from the worksheets used to calculate equalization revenue and exclude any potential add-ons as a conservative estimate.

Other Funds: Absolutely no other funds were projected in order to keep the revenue estimate as conservative as possible.

Expenses

Administration, Instruction and Support

Director/Principal projected salary expense for a full year in Year 1 is **$56,000**. There is a 3% increase projected for each year thereafter dependent upon job performance with other base salary increases based on additional education, certifications, or credentialing (**$57,700** in Year 2, and **$59,400** in Year 3). The Director/Principal will be responsible for executing the duties as detailed in the C.3 Personnel plan.

Lead Teacher/Curriculum Director projected salary expense for a full year in Year 1 is **$44,000**. There is the same 3% base salary increase opportunity and therefore, the budgeted salary is **$45,300** in Year 2, and **$46,700** in Year 3. She will be responsible for executing the duties as detailed in the C.3 Personnel plan; which include teaching a classroom for each of the first two years transitioning to the curriculum and administrative duties full-time in year three.

Teacher – Regular Education includes three classroom teachers (the fourth classroom will be taught by the Lead Teacher/Curriculum Director) recruited during start-up will have a start date of July 1st, and the full year's expense for Year 1 will be **$96,000**. There is a 3% increase projected for the average salary in each year thereafter dependent upon job performance with other base salary increases based on additional education, certifications, or credentialing. In Year's 2, and 3 there will be a seven teachers for a total budget of **$231,000** and 12 teachers for a budget of **$408,000** respectively.

Teacher – Special Education will be recruited during start-up and have a start date of July 1st. This position will teach a classroom in Year 1, and be responsible for all IEPs with the remainder of the special education services covered through contract services in Year 1. The salary expense is budgeted at **$36,000**. In Year 2, the Special Education Teacher in will direct all services and provide the majority of them in conjunction with the remaining budgeted

contract services. This salary expense is budgeted at **$37,100**. The salary expense is budgeted at **$38,200** for Year 3.

Teacher/Director Incentive Pay will be used to retain and attract performing teachers and administrators. This budgeted expense is not dependent upon obtaining Proposition 301 dollars and is planned as a pool for incentives based on 5% of salaries for ODCS teachers and administrators. Clearly stated performance goals, extra-curricular involvement, and teacher/school success will be tied to the incentives. The total amount planned for Year 1 is **$11,600**, Year 2 is **$18,585**, and Year 3 is **$27,570**.

Instructional Assistants - Regular Education will be funded by AzYP as explained in the C.3 Personnel plan for Year's 1 and 2. For Year 3 there will be two part-time regular education assistants budgeted at **$22,000** for the entire year and will carry out the duties as previously described.

Instructional Assistants - Special Education is planned for Year 3 and budgeted at **$21,000** for 12 months. This assistant will report to the Special Education Teacher and assist with any SPED services or other needs as appropriate.

Office Manager/Registrar will start on July 1st. This will be a part-time position in Year's 1 and 2 going to full-time in Year 3. The annual salary amount is planned at $21,000 and increasing by 3% thereafter depending upon performance. Therefore, the corresponding budget will be as follows: Year 1 = **$10,500**; Year 2 = **$10,800**; and Year 3 = **$22,200**. Administrative duties can also be supported by other administrative staff as necessary.

Bookkeeper/Finance will also start on July 1st. This will be a part-time position with an annual salary amount of $37,000 and increasing by 3% thereafter depending upon performance. Therefore, the corresponding budget will be as follows: Year 1 = **$18,500**; Year 2 = **$19,050**; and Year 3 = **$19,600**. Finance/accounting and other duties will be consistent with those detailed in the C.3 Personnel plan, as well as supervised and supported by the CFO.

Chief Financial Officer will perform duties as explained on the C.3 Personnel plan in support of successfully operating ODCS. For Year's 1, 2, and 3, 25% of his time will be funded/charged to ODCS at the current salary. There is a planned 3% increase thereafter, depending upon performance. This results in the following budgeted amounts: Year 1 = **$14,500**; Year 2 = **$14,925**; and Year 3 = **$15,375**.

Executive Director (AzYP) will also perform duties as explained on the C.3 Personnel plan in support of successfully operating ODCS. For Year's 1, 2, and 3, 10% of his time will be funded/charged to ODCS at the planned salary. There is a planned 3% increase thereafter, depending upon performance. This results in the following budgeted amounts: Year 1 = **$7,500**; Year 2 = **$7,300**; and Year 3 = **$7,960**.

Employer Benefits (25%) are currently available to employees of AzYP and are equal to 23% of salaries and wages covering: FICA/OASDI, Medicate, State and Federal Unemployment Workmen's Compensation and medical/life insurance. For ODCS an

additional 2% will be available for matching contributions to a 403B retirement plan. It is most likely that AzYP will adopt a similar retirement contribution. The Employee Benefits (ERE rate of 25%) has been applied to all salary and wage amounts. The total amounts per year are as follows: Year 1 = **$73,650**; Year 2 = **$110,548**; and Year 3 = **$172,001**.

Employee Insurance is available as part of the Employer Benefits to employees and as such it is included in that amount.

Office Supplies will be made available to employees as needed for general and administrative purposes and anticipated at **$4,800** for Year 1, **$4,940** for Year 2, and **$5,090** for Year 3 as detailed in C.5 Operational Expenditures/Overhead.

Instructional Supplies are budgeted for each classroom and include teacher aides, manipulatives, and any small dollar equipment. The annual budget amounts are as follows: Year 1 = **$3,750**; Year 2 = **$6,000**; and Year 3 = **$9,000**.

Membership Dues, Registration, & Travel will be available to employees as needed for training and professional development and include estimates from Core Knowledge to make ODCS a Core Knowledge certified site. There are also monies budget for DIBELs and Charter Association dues. The total budget is **$22,856** for Year 1, **$24,775** for Year 2, and **$25,925** for Year 3 as detailed in C.5 Operational Expenditures/Overhead. Additional resources for Core Knowledge have been budgeted within their respective budget lines.

Purchased Services (Accounting Services, Legal, Consultants, etc.) is budgeted at no additional cost since general finance/accounting services, curriculum development, and other related services will be provided for internally. AzYP currently contracts with an independent CPA for its annual A-133 Single Audit; and he is experienced with auditing Charter Schools. Any incremental costs for these services will be covered by AzYP until such a time that ODCS may support these costs. This is not anticipated through the first three years of operation.

Purchased Services (Special Education) is budgeted in total for Year 1 at **$24,000**, since the Special Education person will be teaching a classroom and transitioning into SPED services in the second year and therefore reducing this budget to **$16,000** in Year 2, and having **$14,000** of budget services in Year 3.

Curriculum & Resource Materials this expense is for textbooks and classroom materials as needed. The textbooks and some materials for Year 1 are planned in the start-up phase and therefore a minimal amount of additional materials are budgeted **$2,500** ($500 per class/teacher). These amounts include materials and resources to be a Core Knowledge site. It is expected that much of the curriculum materials can be reused with the bulk of the budget for new students. The budgeted amount for Year 2 is **$34,400** (with eight classrooms and up to 95 additional students) and Year 3 is **$38,000** (with twelve classrooms and a max of 100 additional students).

Library Resources/Software could possibly be donated however to be conservative, there is a budget for start-up purchases and $25 per student is budgeted in Year's 2 (**$5,000**), and 3 (**$7,500**).

SAIS Software will be purchased in the start-up phase and is budgeted as quoted for the following years as follows: Year 1 = **$1,000**, Year 2 = **$1,000**, Year 3 = **$1,000**.

Auditor Fees are planned at no charge to ODCS. Please refer to the Purchased Services (Accounting etc.) explanation above.

Assessment Tool software, training and materials for Acuity are budgeted based on the discount rate from the Charter Association of **$8,000** for Year 1, **$9,000** for Year 2, and **$10,000** for Year 3.

Operations & Maintenance

Supplies necessary for general use with operations and maintenance of the facility are budgeted for each year and will be purchased as necessary. The annual budget for Year 1 is $250 per month or **$3,000**, and slightly inflated to **$3,090** in Year 2, and **$3,180** in Year 3.

Marketing/Advertising for ODCS will be very heavy during the start-up phase and come down to an annual recruiting and maintenance level for Years 1 through 3. Please see the entire plan in detail on C.2 Advertising and Promotion. Budgeted amounts for each year are as follows: Year 1 = **$12,450**, Year 2 = **$16,450**, Year 3 = **$12,450**.

Purchased Service (Custodial/Maintenance) is estimated at $1.54 per square foot per year for custodial and maintenance, landscaping, and security services. This calculates out to an annual budget of the following: Year 1 = **$12,000**; Year 2 = **$15,380**; and Year = **$21,230**.

Building Lease is inclusive of tenant improvement recovery (appx. $4.75 per square foot) and is currently agreed upon at $8.25 per square foot for Year 1, increasing to $9.25 per square foot for Year 2, and $10.25 per square foot for Year 3 based on enrollment (see C.5 Operational Expenditures/Overhead for more detail). The budget amounts per year are as follows: Year 1 = **$63,850**; Year 2 = **$92,500**; and Year 3 = **$141,450**.

Building Improvements, aside from the large tenant improvements anticipated and recovered through the lease rate, will be minimal. The budget amounts per year are as follows: Year 1 = **$5,000**; Year 2 = **$5,150**; and Year 3 = **$5,300**.

Property/Casualty Insurance is a fairly minor amount due to leasing the facility, and even if it grows is planned at no charge to ODCS. Any incremental expense over what AzYP currently pays its insurance carrier will be covered by AzYP until such a time as ODCS can financially support the cost.

Liability Insurance recognizing the financial challenges of starting up a charter school, AzYP will fund 70% of the liability insurance with its current insurance provider. Based on

the nature of AzYP's work with thousands of students in schools across Arizona, a policy of similar nature should suffice and is approximately $11,140 per year (of which ODCS will pay 30%). The insurance policies are compared annually for the lowest possible price, but a 3% inflationary factor has been built into each year. The annual budgeted amount is as follows: Year 1 = **$3,342**; Year 2 = **$3,440**; and Year 3 = **$3,540**.

Utilities (Electric, Gas, Water, Waste) are based on other similar charter schools and are budgeted at approximately $1.67 per square foot. The mentor charter school of ODCS is located in Pima County and paying approximately 13% less per square foot. There is $5,000 budgeted at start-up for refundable utility deposits. The refund of this amount is not projected for the first three years. AzYP will be responsible for paying the full amount and allocating back the ODCS portion. The budgeted amount is as follows: Year 1 = **$13,020**; Year 2 = **$17,240**; Year 3 = **$23,790**.

Phone/Communications/Internet service is based on similar operating expenses experienced by AzYP and includes the amount for a Techtronic phone system with intercom capabilities, high speed internet service, and dedicated phone/fax lines necessary for running the school. AzYP will be responsible for paying the full amount and allocating back the ODCS portion. The budgeted amount for each year is as follows: Year 1 = **$5,400**; Year 2 = **$5,560**; and Year 3 = **$5,730**.

Transportation is budgeted currently as a subsidy to parents who have to transport their children outside of a certain mile radius. The plan is to offer a subsidy based on documented mileage so long as funds exist and there is no other available transportation. The budget amounts per year are as follows: Year 1 = **$12,000**; Year 2 = **$17,000**; and Year 3 = **$24,000**.

Student Furniture & Other Equipment will be purchased as needed in order to accommodate every student and classroom. The estimated cost is $140 per student with Year 1 needs met in the start-up phase. In Year 2 the budget is based on additional incoming students for $13,300 and half of the Year 3 projected need at $7,000 for a total of **$20,300**. The remaining furniture and equipment of **$7,000** is budgeted to be purchased in Year 3. Based on cash flow constraints Year 1 is budgeted using the anticipated ADM students as the basis; however the Year 2 basis is the incremental students up to the maximum projected capacity and the Year 3 basis is also the incremental max capacity in students (300 – 200 = 100).

Office Furniture will be supplied by AzYP for start-up and Year 1, with its relocation to the same building. In Year 2 additional office furniture/equipment will be added and is budgeted at **$1,500**. There are no additional costs budgeted for Year 3, but AzYP will partner with ODCS to ensure the adequate level of resource is obtained.

Student Technology Equipment is estimated at $1,500 per new classroom with Year 1 costs being part of the start-up phase. The annual budget for the other years is as follows: Year 2 = **$8,250** (will include one-half of the anticipated need in Year 3 to lessen the cash flow for that year); and Year 3 = **$3,750**.

Office Technology Equipment will be provided by AzYP during start-up, Year 1, and Year 3 (if necessary) as described in C.5 Operational Expenditures/Overhead. The budgeted amount for Year 2 is **$1,500.**

Other Leases (Copier) is for a large volume color copier that can be networked and used as a printer and scanner that will be utilized by ODCS, currently on a five year lease by AzYP. 75% of the leased copier expense is budgeted for ODCS and is approximately $788 per month. This amounts to an annual budget of the following: Year 1 = **$9,450**; Year 2 = **$9,450**; Year 3 = **$9,450** based on the contracted lease amount. We are not anticipating exceeding the volume amounts in the agreement for any of the first three years.

Debt Retirement is based on repayment of the Canyon Community Bank loan. If the full amount is needed, the resulting monthly payment would be $1,700. This amounts to an annual budget of the following: Year 1 = **$20,400**; Year 2 = **$20,400**; Year 3 = **$20,400**.