C.4 Start-Up Budget

Pensar Academy's Start-Up Phase will begin April 1, 2016 and end July 31, 2016.

a. Explanation of Start-up Revenues:

Secured Funds – Other:

- Assumes $100,000 pledge for start-up funds from private donor, Martin Zupetz, to be dispensed on April 1, 2016.

b. List of Start-up Expenditures: Assumes total start up expenditures of $95,561.72 as broken down below:

Expenditure	Amount
AIS-Director of Operations	$6000.00
AIS-Director of Student Learning	6000.00
Director Benefits @ 10%	1200.00
AIS-General Education Teacher	13125.00
General Education Benefits	1312.50
AIS-Curriculum Team Stipends	4950.00
AIS-Office Manager	2500.00
AIS-Office Manager Benefits	250.00
Office Manager Insurance	300.00
Office Supplies	2017.15
Instruction Consumables	1833.27
Curriculum & Resource Materials	3750.00
Operations & Maintenance (O&M) Expenditures: Supplies	1397.81
Marketing and Advertising	1849.24
Operations and Maintenance Contract Services	6900.00
Fees/Permits	1000.00
Classroom/Student Furniture	17681.50
Phone/Communications/Internet Connectivity:	150.00
Office Furniture Equipment	1596.00
Student Technology	13499.25
Office Technology	7300.00
Other Leases: Copier	350.00
Property/Casualty/Liability Insurance	600.00
Total Start-Up Expenditures	$95,561.72

c. List of Assumptions for Start-up Expenditures

Administration, Instruction, & Support (AIS) Expenditures:

Directors: Assumes a salary for the months of June and July 2016 in the amount of $6,000 for the Director of Student Learning and $6,000 for the Director of Operations for a total of $12,000. Also assumes an additional 10% in required employer contributions for a total of $600 for each Director.

Teachers (General Education and Physical Education/Chess): Assumes an in-service stipend of $1,875 (based on annual salary of $45,000) for 7 teachers (6 General Education Teachers and 1 Physical Education Teacher) to partake in a two week orientation (Bulldog Boot Camp) on curriculum planning, training, professional development, and school start-up processes. Also assumes an additional 10% in required employer contributions for a total of $187.50 per teacher.

Office Manager: Assumes an in-service stipend of $2,500 for one office manager for the month of July (based on an annual salary of $30,000) to participate in training, professional development, and school start-up processes. Also assumes an additional 10% in required employer contributions for a total of $2,750.

Bookkeeper/Finance: Assumes no additional cost for a bookkeeper/finance during start-up phase than what is outlined below under O&M Contracted Services with ASPIRE Business Consultants, Inc. which will handle financial management, including payroll, accounts payable/receivable, and business consultation.

Custodial/Maintenance: Assumes no start-up costs as Founding Directors have a group of volunteers to assist with initial facility clean-up and maintenance. Pensar Academy will contract with an outside vendor for custodial and maintenance services once the school year begins in August of 2016. Please see Contracted Services (O&M) for a line item explanation.

Curriculum Team Stipends: Assumes a total cost for staffing of $4500 for curriculum and assessment set-up plus an additional $450 for 10% employer contributions.

- Assumes an in-service stipend to develop the pacing guide by the Curriculum Team of 3 members at the rate of $187.50 per 8 hour work day for 5 days. The total cost assumed will be 937.50 per teacher for the week for a total of $2,812.50 plus 10% for Social Security, Medicare, and other employer contributions.
- Assumes an in-service to construct the Galileo assessments and capstone projects by the Curriculum Team of 3 members at the rate of $187.50 per 8 hour work day for 3 days. The total cost assumed will be 562.50 per teacher for the week and a total of $1,687.50 plus 10% for Social Security, Medicare, and other employer contributions.

Employee Benefits: For the first three years of operation, Pensar Academy will not offer retirement or 401k options. This will be revisited in July of 2019.

Employee Insurance: The Director of Student Learning and the Director of Operations will have insurance benefits from their previous employers through July 2016. The Office Manager will begin her health insurance the 1st day after the month of hire, which will be July of 2016. The general education teachers and educational assistants will not begin active insurance until August of 2016. Assumes employer-paid employee health insurance coverage of $300/month for each of the full-time employees for the in-service month of July 2016. Therefore, office manager for one month of insurance is $300. Quotes are based on communication with Holmes Murphy Insurance.

Office Supplies: Assumes $2,017.15 for start-up office consumable office supplies based on a quote from Costco[1] and Fry's Electronics[2] for service to 150 students in preparation for Year 1. *(See C.4 Table 1: Office Supplies)*

C.4 Table 1: Office Supplies

Item	*Quote*	*Per Unit*	*Total*
Office Impressions Plain Windowless Envelope 4-1/8" x 9-1/2" White 500ct OFF 82292	*Costco*	*10 @ 13.79*	*137.90*
Quality Park Redi-File Clasp Envelope 9" x 12" Kraft 100ct Item # 629135	*Costco*	*3@ 14.39*	*43.17*
First Aid OSHA Refill Kit 1033 Pieces Item # 956475	*Costco*	*3 @ 54.99*	*164.97*
Pendaflex Premium Hanging Folders Green 1/3 Cut Legal 25ct Item # 115723	*Costco*	*10 @ 17.68*	*176.80*
Smead Top-Tab Folders Manila 1/3 Cut Legal 100ct Item # 629937	*Costco*	*9 @ 21.49*	*193.41*
Avery® WeatherProof™ Laser Shipping Labels 1" x 2-5/8" White 1,500ct Item # 118082	*Costco*	*32.79*	*65.58*
Pilot G2 Retractable Gel Rollerball Pen, Bold Point, Blue, 12ct PIL 31257 Item # 555046	*Costco*	*10 @ 11.89*	*118.90*
Acme Value Line Scissors Bent ACM 10703 Item # 625766	*Costco*	*8 @ 3.29*	*26.32*
Costco Copy Paper, Letter, 20lb, 92-Bright, 5,000ct 6+ Case Pricing CS1 677776	*Costco*	*6 @ 31.99*	*191.94*
Swingline S.F. 4 Premium Chisel Point Staples, 210 Count Full Strip, 5,000ct SWI 35450	*Costco*	*6 @ 2.99*	*17.94*
Windsoft C-Fold Paper Towels 1-Ply White 12ct Item # 121341	*Costco*	*1 @ 29.99*	*29.99*
Swingline Commercial Stapler Black SWI 44401S Item # 498087	*Costco*	*9 @ 7.99*	*71.91*
X-Acto 26234 Laser Guided 12-Sheet Paper Trimmer Item # 714198	*Costco*	*1 @ 51.99*	*51.99*
Office Impressions Paper Clips, Smooth Finish, Jumbo Size, 1,000ct OFF 82122PK	*Costco*	*5 @ 6.29*	*31.45*
Scotch Magic Greener Tape with Dispenser 3/4" x 900" 6ct MMM 8126PC38 Item # 600940	*Costco*	*9 @ 14.99*	*134.91*
Remanufactured High Yield Black Laser Toner Cartridge for Lexmark X945X2KG (36K Page Yield)	*Fry's*	*1 @ 129.99*	*129.99*
Remanufactured High Yield Color Laser Toner Cartridge for Lexmark X945X2KG (36K Page Yield)	*Fry's*	*1 @ 129.99*	*129.99*
Lexmark X940e MFP Multifunction Laser Printer Copier Fax Scanner 21Z0200 (Refurbished)	*Fry's*	*1 @ 299.99*	*299.99*
		Total	*2,017.15*

[1] Quote taken from Costco at costco.com on 3/28/2015.
[2] Quote taken from Fry's Electronics at frys.com.com on 4/1/2015.

Instruction Consumables: Assumes a total of $1,833.27 for instructional consumables and curriculum resource materials (see below) in preparation for the first day of school. This averages to $12.22 per student.

Avery® Economy View Binder, Round Ring, 2 inch, White Item # 847651	*150 @ 3.79*	*568.50*
Post-it Super Stick Notes 3" x 3" Assorted Colors 12ct Item # 600552	*9 @ 14.89*	*134.01*
Dixon Ticonderoga HB #2 Pencil, 96ct DIX 13872 Item # 684756	*6 @ 14.99*	*89.94*
Pacon Chart Tablet w/Manuscript Cover White 25ct Item # 860390	*6 @ 5.99*	*35.94*
Post-It Self-Stick Easel Pads, 25 in. x 30 in., White, 2ct MMM 559 Item # 115924	*2 @ 44.79*	*89.58*
Neenah Exact Index Card Stock, Letter, White, 90lb, 250ct Item # 631068	*10 @ 7.89*	*78.90*
Office Impressions Desk Style Highlighter, Chisel Tip, Fluorescent Pink, 12ct OFF 82422 Item # 116822	*15 @ 5.08*	*76.20*
Avery Clear Application Permanent Glue Sticks, .26 oz, 18ct AVE 98089 Item # 115583	*6 @ 7.29*	*43.74*
Poster Boards	*150 @ .50*	*75.00*
Dry Erase Markers-EXPO Erase Marker Kit, Chisel/Fine Points, Assorted Colors	*8 @ 18.69*	*149.52*
Colored Pencils	*150 @ 1.00*	*150.00*
Markers	*150 @ 1.00*	*150.00*
Costco Copy Paper, Letter, 20lb, 92-Bright, 5,000ct 6+ Case Pricing CS1 677776	*6 @ 31.99*	*191.94*
Total		*$1833.27*

Membership Dues, Registrations, & Travel: Assumes no cost for membership dues, registrations, and travel during Start-up phase.

AIS Contracted Services: Assumes no additional cost for AIS contracted services as there are no contracted services for AIS in our start-up process.

Special Education Contracted Services: Assumes no cost for contracted special education services, as start-up occurs prior to first day of school for students. The Director of Student Learning will oversee newly enrolled paperwork for review and scheduling to provide services once the school year has officially begun.

Curriculum & Resource Materials: Assumes a total cost of $1750 to provide each General Education Teacher and the Physical Education/Chess Teacher with (7) a budget of $250 to purchase online and in-person teaching resources. Assumes $2000 for Galileo Program license that will be used to make Formative Assessments by the Curriculum Team for Y1.

Library/Software: Assumes no upfront cost for software in the start-up phase.

- SAIS Software: Assumes no costs for SAIS software, as these costs will be incurred beginning August 2016, and paid with Year 1 funds. Synergy will likely be our SAIS program at $12 per student per year.
- SRI License: Assumes no costs for SAIS software, as these costs will be incurred beginning August 2016, and paid with Year 1 funds.
- Study Island License: Assumes no cost for an administration license for the months beginning July 2016 for the Curriculum Team. Assumes no cost for student licenses for month of July 2016, as school as not started yet.

Operations & Maintenance (O&M) Expenditures:

Supplies: Assumes $1397.81 for supplies (quote from Costco) that will be needed during start-up, including:

Items	Cost per unit	Total
Lysol® Disinfecting Wipes Lemon & Fresh Scents 80 Wipes 6ct Item # 803991	4 @ 14.99	$59.96
Georgia-Pacific Push Paddle Paper Towel Roll Dispenser Item # 134487	12 @ 33.79	405.48
Georgia-Pacific Bath Tissue 2-Roll Dispenser Gray Item # 500037	6 @ 39.98	239.88
Shop-Vac 24 Gallon 6.5 HP Heavy-duty Wet / Dry Vacuum Item # 594734	1@ 129.99	129.99
Scott Hard Roll Paper Towels 1-Ply White 12ct Item # 599758	1 @ 99.99	99.99
Unisan Professional Loop Wet Cotton Mop Head Item # 117294	2 @ 7.98	15.96
Unisan Quick Change Metal Head Mop Handle Item # 117305	2 @ 8.49	16.98
Rubbermaid Wavebrake Pressure 35-Quart Wringer/Bucket RCP 758088YW Item # 150301	1 @ 69.99	69.99
Classic Clear Low-Density Trash Bags 16 gal Clear 500ct WBI BC33 Item # 599713	1 @ 38.99	38.99
Rubbermaid Plastic Wastebasket Black 7 gal RCP 295600BK Item # 116825	12 @ 5.99	71.88
Rubbermaid Brute Trash Can 44 gal Gray Item # 116802	1 @ 52.99	52.99
Earthsense Recycled Star Bottom Trash Bags 55-60 gal Clear 100ct WBI RNW5815C Item # 555922	1 @ 71.59	71.59
Kirkland Signature™ Facial Tissue Lodge Pack 30-count Item # 720894	1 @ 29.99	29.99
OSHA Safety Notice Poster Item # 897831	1 @ 24.99	24.99
Purell NXT Instand Hand Sanitizer Refill 1,000ml GOJ 215608 EA Item # 120731	2 @ 11.39	22.78
Purell NXT Instant Hand Sanitizer Dispenser White/Gray GOJ 212006 Item # 117434	2 @ 8.19	16.38
Labor Law Posters With 1 Year Update Service Included	1 @ 29.99	29.99
	Total	$1397.81

Marketing/Advertising: Assumes $1,849.24 for marketing and advertisement expenses for both teachers and students. *(See section C.2 of this charter application for details.)*

O & M Contracted Services: Assumes cost of $6,900 as Pensar Academy will only contract with outside operations and maintenance vendors for:

- Financial/business services during the start-up phase. Assumes business consultation and handling of payroll through ASPIRE Business Consultants at a reduced rate of $450 for June and $450 for July 2016.[3]
- Legal services during the start-up phase. Assumes a total of $5,000 for legal services provided. Pensar Academy intends to utilize the Carter Law Group during the start-up phase for 501(c)(3) processing and governance consultation.[4]
- Assumes flat fee of $1,000.00 as quoted by Board on Track for governing board support, training, and professional development.[5]
- Assumes no upfront cost for Marsden maintenance services for July of 2016 will be prorated. Assumes that payment for August of 2016 will be prorated.[6]
- Assumes no upfront cost for Marsden security services for July of 2016 will be prorated. Assumes that payment for August of 2016 will be prorated.[7]

Building Rent/Lease/Loan: Assumes rental fee of a facility for July will be deferred and divided into monthly payments beginning in August 2015.

Building & Improvements: Assumes no upfront building improvement costs out of Start-up Budget as improvement costs will be rolled into the monthly rental fees beginning in August of 2016 at both facility options laid out in C.1. Both landlords are open to this option with tenant leases. In addition, Pensar Academy has a contingency of $10,000 allocated for building and improvements each year 1 to 3.

Land & Improvements: Assumes no upfront land improvement costs are to be paid by Pensar Academy. Assumes landlord will pay or absorb into the cost of the lease any building improvement costs based on conversations with other charter startups. In the event that the landlord is unable to cover the costs of any needed improvements prior to the school opening, Pensar Academy will work with the Governing Board to assume short-term loans from community entities such as Arizona Community Foundation building fund or Charter School Development Corporation, as identified by other recent charter start-up schools. Assumes that if short-term loans were necessary, other non-essential line items would be reduced to pay back the loan in a timely manner. Pensar Academy has also allocated a contingency of $5,000 annually for land and improvements in years 1 through 3.

[3] Quote from Heather Jones, ASPIRE Financial Services, March 2015.
[4] Quote from Mackenzie Woods, Carter Law Group, March 2015.
[5] Quote from Todd Frampton, Board on Track, April 2015.
[6] Quote from Tommy Messner, Marsden, April 2015.
[7] Quote from Tommy Messner, Marsden, April 2015.

Fees/Permits: Assumes $1,000 for fees and permits such as a Certificate of Occupancy and Fire Marshall's inspection based on similar charter school start-up estimates in order to prepare for building occupancy.

Office Furniture: Assumes total cost of $1596.00 for front office furniture for Directors and Office Manager. Figure broken down below:

Items	Per unit price[8]	Total
Admin Desks (Used)	3 @ 179.00	537.00
Conference Table	1 @ 179.00	179.00
Conference Table Chairs	6 @ $100	600.00
Lateral File Cabinet (Used)	1 @ 200	200.00
Vertical File Cabinets-2 Drawer (Used)	2 @ $40	80.00
	Total	1,596.00

Property/Casualty Insurance: Assumes $400 per month for property/casualty insurance, including director's and operator's insurance during the start-up phase based on a quote from Holmes Murphy.

Liability Insurance: Assumes $200 per month for liability insurance, including director's and operator's insurance during the start-up phase based on a quote from Holmes Murphy.

Utilities: Assumes no upfront cost to Pensar Academy for July 2016. Pensar Academy intends to negotiate occupancy during this month which would prorate the month of utilities to come due in August of 2016. Assumes total square footage of 8,550 (150 students time $57 square foot) at a rate of $1.50/square foot.

Phone/Communications/Internet Connectivity: Assumes $150 for month of July 2016 for Internet and Phone service through Cox. Assumes Directors will utilize personal internet and phone for months leading to July of 2016. As mentioned in the building improvements section above, funds have been allocated in anticipation for technology infrastructure for 75-400 computers over the course of Y1-Y3.

Classroom Furniture & Equipment: Assumes $17,681.50 in classroom equipment, an average of $117.88 per student in Y1. The cost is broken down below:

Item	Per Unit Price	Total
Desks (New)	150 @ 99.95	14,992.50
Teacher Desks (Used)	6 @ 179.00	1074
Vertical File Cabinets-2 Drawer (Used)	6 @ $40	240
PE/Chess/Cafeteria Tables	25 @ $25	625
PE/Chess/Cafeteria Chairs	150 @ $5	750
	Total	$17,681.50

Student Technology Equipment: Assumes a total of $13,499.25 for 75 student laptops (Chromebooks at $179.99 apiece) from Fry's Electronics.

[8] Quote from Affordable Business Interiors.

Office Technology Equipment: Assumes cost of $7,300 for office technology equipment. Assumes $5,980 for school laptops for 7 teachers, 2 directors, and 1 office manager at a cost of $598.00/laptop; Assumes $1,320 for 6 projectors for the 6 general education classrooms at $220/projector purchased from Fry's Electronics.

Other Leases (Security, Copiers, etc.): Assumes one large black and white copier, which also scan and fax, at $350/month for 40,000 copies per month x 1 month. Quoted by administration at Create Academy.

Loan Repayment: Assumes no loan repayment due at time of start-up. Loan of $7,000 to Martin Ole Zupetz begins payment in August of 2016.

Other: Assumes no additional expenses for maintenance and operations for Pensar Academy.

d. Revenues vs. Expenditures

The total revenue for the start-up budget is $100,000. The total expenditures are $95,561.72. This leaves a surplus of $4,438.28. Pensar Academy intentionally budgeted to leave an approximate 4% contingency fund to assist with operations in case of delay in equalization pay for August of 2016.

e. Consistency of Time Frames

The timeframes described in all sections of the application package are consistent with the timeframes listed on the start-up budget.

f. Consistency with All Sections

This section, C.4 Start-up Budget is consistent with all sections of the application package.