B.3.2 Contracted Services

Scottsdale Country Day School will employ a team of skilled and dedicated professionals to operate and develop a successful charter school. There are some areas of expertise where contracted service providers will need to be hired. These areas of expertise are for Financial Management, Hearing and Vision Screenings, Audit Requirements, and Special Education Services. The SCDS Board may add further providers of expertise if deemed necessary for the school.

Table 1: Contract Service Providers

Service Provider	Expertise	Year 1	Year 2	Year 3
ADI Business Solutions	Financial Management	$27,636	$31,220	$34,781
Community Wellness & Safety of Arizona	Hearing & Vision Screenings	$1,173	$1,337	$1,537
Klecka, Wilkins & Klecka	Audit Services	$2,000	$12,000	$14,000
Achievement Therapy Services	Special Education Services	$22,150	$25,251	$29,039

Financial Management

SCDS will contract with ADI Business Solutions who have successfully partnered with over 20 charter schools to date.

ADI Business Solutions
1553 W. Todd Dr. Suite 106
Tempe, AZ 85283
480-940-7538
480-214-3270 - Fax
Email: info@adibiz.net

ADI personnel are among the highest caliber in the professional services and educational business consulting market. ADI employees are expected by SCDS to have in-depth and detailed understanding of not only how to accomplish tasks, but also of the implications to the client if tasks are not completed as expected. SCDS expects the ADI staff to be highly qualified in charter school fiscal management and have the necessary qualifications, experiences, and successes to demonstrate their competency.

ADI has an extensive understanding of:

• School laws
• GAAP, GASB, and FASB accounting and financial requirements
• Day to day operations of schools and non-profit organizations
• Budgeting and reporting requirements

• Grant cash flow reporting requirements
• Grants-making resources in early childhood programs

Our employees have the unique ability to understand the complexities and relationships as well as the cause and effect factors to be considered in every decision made for our clients. In short, our personnel know how to protect our client's interests, while at the same time, helping them grow and prosper by being creative and insightful.

ADI charges 3% of the total equalization monies and will provide:

1. **Provide accounting services, in accordance with legal and industry standards, that include the following accounting functions.**
   - Recording, in detail, of all transactions in a computerized accounting system, when processed.
   - Preparation and recording of journal entries and monthly maintenance of the general ledger according to accepted accounting standards.
   - Reconcile primary bank and investment accounts to general ledger monthly or upon receipt of statements.
   - Maintain fixed asset schedules based on information supplied. Record capitalized assets. Record related depreciation and amortization in the general ledger and reconcile.
   - Generate selected financial reports monthly, based upon data provided, to include information such as: detailed account activity, bank register activity, summary of budget, expenditures and encumbrances by account, cash balances, payroll register (for periods when payroll is processed by ADI), revenues, and all general ledger account balances.
   - Advise and assist SCDS staff on proper accounting and record-keeping procedures upon request, as needed.
   - Provide financial data, as needed, for federal, state and other financial reporting purposes.
   - Provide assistance in SCDS compliance with accounting-related legal and audit requirements as needed.
   - Provide guidance on compliance with USFRCS and other state and federal regulations and accounting requirements, as needed.
   - Insure accounts are GAAP compliant.
   - Provide monthly estimated payment schedules at or about the 1st of the month based on SCDS's ADM46-1, SPED 28 and ELL membership.
   - Remote printing to SCDS office of A/P, payroll checks and other reports as needed.
   - Provide up to date balances each time ADI processes APs, Payroll, Receipts, etc. via secondary register.

2. **Provide payroll processing services that include the following functions.**

- Review account coding of submitted personnel action requests (PAR).
- Calculate and process payroll and payroll related payments according to the established schedule based on information submitted by authorized School representatives.
- Generate payroll register for signature by authorized SCDS representatives.
- Prepare all required payroll reports for submission to federal and state agencies
- Prepare and submit electronic payroll, payroll tax reports, payroll tax deposits and ASRS or 401K, as authorized by SCDS.
- Preparation and filing of Forms W-2.
- Generate selected reports to support payroll and payroll related payment processing.
- Set up payroll direct deposits for staff.
- Prepare Quarterly Reports as required to include EFT as need (electronic fund transfer) for payments for AZ Dept. of Economic Security, AZ dept. of Rev. and form 941.

3. Provide services that include the following.

- Assist in the forecasting of revenues, salaries and other expense requirements for all areas of the budget for current year based on analyses of the needs, resources and objectives of SCDS.
- Provide proposed, adopted and revised annual budgets on the proper forms to SCDS for review, approval, and submission to the state.
- Prepare annually Notification of Publication on the proper State form and submit via upload to ADE once the proposed budget is approved.
- Work with the SCDS's designee to monitor the status of all budgets.
- Assist in reporting all other state, federal and other financial reports associated with SCDS. Includes assistance in the preparation of the Annual Financial Report as required by the state's Department of Education. Not to include those filings, which are deemed corporate (i.e., income tax, non-for-profit applications, corporate and S.E.C. reports).
- Advise and assist in proper budgetary, accounting and internal controls.
- Assist SCDS in interaction with other governmental agencies in resolution of problems or answering inquiries.
- Provide assistance for SCDS compliance with school finance-related legal and audit requirements and other state mandated deadline.

4. Provide purchasing and accounts payable processing services that include the following functions.

- Review account coding of submitted purchased orders.
- Generate purchase orders based on authorized requisitions.

- Process requests for payment upon confirmation of receipt of goods or services and authorization to pay, at least twice weekly (or more if needed).
- Generate checks for signature by authorized SCDS representatives.
- Generate selected monthly reports to support purchasing and accounts payable processing.
- Preparation and filing of Forms 1099.

5. Provide services that include the following

- Write grant application for the State/Federal Entitlements which are:
- NCLB – Title 1 and Title 11 or CSEA.
- Title 11D Technology.
- IDEA Basic or CSEA.
- Maintaining the grant monthly per tracking, coding, and advising.
- When necessary, complete amendments to grant.
- When applicable, ensure correct coding to USFRCS requirements.
- Maintain monthly cash management reports.
- Write and upload grant completion report timely.

Hearing and Vision Screenings

SCDS will conduct hearing and vision screenings on its students per state guidelines, with Community Wellness & Safety of Arizona providing these services. The Co-Founder of SCDS, Steve Prahcharov, has worked with this company for 4 years with a previous charter school's screenings and for 1 year with the SCDS private school and has always found their work to be excellent.

About Community Wellness & Safety of Arizona Employees and Business

SCDS expects the staff to be highly qualified in their field and have the necessary qualifications, experiences, and successes to demonstrate their competency. The screening personnel all carry Level One or IVP Clearance Cards as required by the Department of Education and are also fully insured with Malpractice, Workman's Compensation, General Liability and Hired, Non-Owned Auto. Community Wellness & Safety of Arizona are licensed as an outpatient clinic through the Arizona Department of Health Services, and have passed DHS State inspections at 100% since their business began over 14 years ago. Community Wellness & Safety of Arizona also maintain a strong membership through the Better Business Bureau.

Community Wellness & Safety of Arizona

522 North Gilbert Road, Suite 104, Gilbert, AZ 85234
Phone: (480) 892-4295 Fax: (480) 396-0234
www.cwsoa.com

Description of Fees and Services

Community Wellness & Safety of Arizona will provide:

- Initial hearing and vision screening of scheduled students per R9-13-103., re-screening to students who did not pass initial screening due to reasons which did not require immediate referral (i.e. congestion/allergies), and any absentees.
- Parent contact and referral to community resources for students who did not pass screenings. Parents of students who are uninsured and unable to afford a follow up with a specialist, can be assisted in obtaining free or reduced cost services for a follow up.
- Narrative (Descriptive) Report. Upon completion of screenings, the school will receive a final report narration of screening results of students who were referred for follow up with a specialist.
- State Report (Due June 30th of each year). The required report will be completed and submitted to DHS. A copy of the report will be submitted to the school for SCDS records. This report includes the two-month follow up of each child after referral.

Hearing and Vision Fees

The sliding scale billable fees for hearing and vision are based on the number of students screened during the initial screening. Community Wellness & Safety of Arizona does not charge for re-screening. "Parent Pay" fees at the school are $15.00 per child for hearing and vision or $10.00 per child for hearing OR vision only. WALK-IN screenings are $15.00/child.

Table 2: Fees

Minimum charge for **First** screenings of the school year is: $300.00
Minimum charge for **Second** screenings of the school year is: $150.00
****NO CHARGE** for rescreening associated with either screening**

# of Students	Hearing or Vision Only	Hearing and Vision
Up to 30 students	10.60/child	13.10/child
31-99 students	8.70/child	12.30/child
100-199 students	8.40/child	11.60/child
200-299 students	8.20/child	11.34/child
300 or more students	8.00/child	11.10/child

Audit Services

SCDS will have an audit conducted once per year per charter school law. The company that will provide this service is Klecka, Wilkins & Klecka, CPAs. The Co-Founder of SCDS, Steve Prahcharov, has worked with this company for 3 years with a previous charter school's audit reviews and has always found their work to be accurate and professional. Please review the letter below for detailed information on this company, their qualifications (required by SCDS), and expertise (required by SCDS).

KLECKA, WILKINS & KLECKA

• CERTIFIED PUBLIC ACCOUNTANTS •

Daniel E. Klecka, CPA
Harry F. Wilkins III, CPA
Michael J. Klecka, CPA

635 East Maryland Avenue
Phoenix, Arizona 85012

Steve Prahcharov
Scottsdale Country Day School

June 11, 2012

To Mr. Prahcharov:

Our firm is willing to provide several services to Scottsdale Country Day School at the conclusion of the fiscal year ending June 30, 2014. We will provide an audit of the financial statements, an audit report on those statements, and a report on internal control and on compliance in accordance with Government Auditing Standards. We will also complete the required compliance questionnaire. The fee for these services will be in the range of $12,000 to $14,000, depending on school enrollment and other factors. We are also available to prepare the IRS Form 990 for an additional $1,500 if requested. Please note that this letter cannot be considered a binding contract for such services, as the Arizona State Board for Charter Schools has issued guidelines stating that it must approve any engagement letters for charter school audits before an engagement takes effect.

Klecka, Wilkins & Klecka (KWK) has been serving clients in Arizona and elsewhere since 1985. Our firm provides a range of services, from audits and reviews to bookkeeping and tax preparation. KWK has audited over twenty charter schools each year for the last several years and is intent on providing a high level of satisfaction to each client.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel E. Klecka
For the Firm

Phone (602) 266-4318 • FAX (602) 279-4149
email: kwk@kwkcpa.com
www.kwkcpa.com

Special Education
The school will open with at least one full time special education teacher. Subsequent hiring, contracting of service provider, or acquiring of staff will be based on caseload and disability needs. The company providing any and all special education services to students at SCDS will be Achievement Therapy Services (ATS), based locally in Scottsdale. ATS has provided these types of services during the 2011/2012 school year for the Scottsdale Country Day School Private PK-8th grade school. SCDS expects the ATS staff to be highly qualified in special education services and have the necessary qualifications, experiences, and successes to demonstrate their competency. A license to practice speech therapy, occupational therapy, physical therapy, and any necessary evaluations is also required by SCDS. All ATS staff entering the SCDS campus will be required to have a valid Arizona Fingerprint Clearance card.

Address and Contact Information:
Owner-Amy Gallagher MS, OTR/L amy@achievementtherapy.com
32531 N. Scottsdale Road, Suite 105-162, Scottsdale, AZ 85266
Phone: (480) 488-3946 Fax: (480) 488-3956 Email: office@achievementtherapy.com

Related Work Experience
Achievement Therapy Services has been providing school based services throughout Maricopa and Pinal County since 2004. ATS contracts with over 15 different districts and also "piggyback" if needed through the Greater Arizona Consortium. The ATS therapists are self-starters, energetic and dynamic in their continued search for continuing education and ongoing research in their specified field of practice. Communication is essential in successful service delivery.

Along with hiring a special education teacher, our special education budget includes 245 hours of ancillary special education contracted services at an average rate of $65 per hour (quote obtained by provider). The special education population of the schools listed in the section A.2. of this application, and which are within the target population for SCDS, ranges from 7-12% of the schools' average daily membership. SCDS's budget assumes a population of 10% (Year 1 = 16, year 2 = 18, and year 3 = 20) which will be served by the Special Education teacher and the contracted special education services.

The amount of $17,150 ($70.00 x 245 ancillary hours) has been budgeted towards this. An additional $5,000 has been calculated towards any evaluations that will need to be done for the SPED students.

Achievement Therapy Services assists pediatric and adolescent children in the home, school and clinic setting. Providing quality therapy to clients in their natural environment and assisting them in reaching their developmental potential. The primary mission of Achievement Therapy

Services is to provide intensive, integrated, quality programs and services for individuals with physical and/or cognitive impairments without discrimination on the basis of disability, ethnicity, creed, color, sexual orientation or socioeconomic status.

Common Occupational, Speech and Physical Therapies:
Therapy interventions include, helping children with disabilities to participate fully in school and social situations, helping people recovering from illness or injury to regain skills, and providing supports for older adults experiencing physical and cognitive changes. Each therapy service typically includes:

- An individualized evaluation, during which the client/teacher/family and therapist determine the child's goals
- Customized intervention to improve the person's ability to perform daily activities and each the goals and outcomes
- Evaluations and ongoing therapy to ensure that the goals are being met and/or make changes to the intervention plan

ATS is certified to provide therapy by the state of Arizona for occupational, speech, and physical therapy. The administration staff consists of five highly experienced employees who provide support to all the therapists as well as state coordinators, families and school officials. ATS also has a billing department that consists of billing all claims to include 3rd party and state billing.

ATS Staff Requirements

Occupational Therapists: Bachelor's degree in occupational therapy from an accredited college or university. Licensed occupational therapist in the state of Arizona

Physical Therapist: Bachelor's degree in physical therapy from and accredited college or university. Licensed Physical Therapist in the state of Arizona.

Speech Language Pathologist: Master's degree in speech pathology from an accredited university. State license issued. Certificate of Clinical Competence from the American Speech-Language Hearing Association (ASHA).

Key Personnel
The key personnel who will manage and oversee the contract with Scottsdale Country Day School will be Amy Gallagher OTR/L. She has been a practicing occupational therapist, licensed and certified, in home, school and clinic settings since graduating from Midwestern University in Downers Grove, Illinios in 1998. She provided occupational therapy services in the Clark County School District in Las Vegas, Nevada as well as the Paradise Valley Unified School District in Phoenix, Arizona. She is the president of Achievement Therapy Service, Inc. and manages over 40 therapists and 5 office administration.

All therapists have the necessary credentials and up to date documentation such as; CPR, first aide, fingerprint clearance card, Article 9 (managing inappropriate behaviors), an AHCCCS number and NPI number for billing purposes.

Table 3: Achievement Therapy Services Fees

Service	Duration	Cost
Occupational Therapy	1 hour	$70
Speech Therapy	1 hour	$70
Physical therapy	1 hour	$70

Expectations and Evaluation of Contracted Service Providers

SCDS expects all contracted service providers to act with respect, fairness, integrity, and confidentially regarding all matters of SCDS. Furthermore, all contracted service providers are to provide service to SCDS per the contractual guidelines and to a high standard of delivery. Any rules and regulations and/or reports required per the Arizona Department of Education must be complied with.

The Principal of the school is the administrator responsible for overseeing these contractors and will complete an evaluation for each company which will be presented to the Governing Board throughout the school year. Based on these evaluations and feedback shared by the Principal will allow the Governing Board to determine whether to continue contracting with these service providers.