C.4 Start Up Operational Budget Assumptions

Overview

The Caepe School has been operating as a private school since August 2008. We have been operating at our current location since June 2011. We will continue at this location throughout the three years of operation proposed in this application. Our budget assumptions reflect that base of experience and continued due diligence to implement the best value proposition for our students and community.

All assumptions are based on data from over 5 years of operations as a private school, collection and review of price quotes from multiple vendors, consulting advice, and /or validation from conversations with comparable Charter School Operators. These assumptions support the operating costs of the start up time period. Line items that do not have any costs associated with them are omitted from the start up budget assumptions, as only the school office will be open.

Start Up Revenue- Secure Funds

The Caepe School has secured $35,000 for the start up cost. The loan is privately sourced and the agreement with the two parties providing the loan is that repayment will begin in Year 2 of the charter and completed by the end of year 3. There are no interest charges on this loan provided by the private parties.

Administration, Instruction, & Support (AIS)

Salaries
All salaries are based on our experience securing and retaining appropriate talent in our local market. They are consistent with what we currently pay our employees and expect to pay during the three year operational budget period. Required staff for the start up period includes the Head of School at $4,083 for June and July, as well as the Clerical, Bookkeeping and Finance person at $1,833 for June and July. Both the Head of School and the Clerical Person will have a reduction in hours at the beginning of July for the national holiday. Salaries are consistent with the three-year start up and current costs.

Employee Benefits
Currently and during the entire start up and three-year operational budget period, The Caepe School will not offer benefits beyond those legally required. This policy may be reviewed at a later date. Any decision to add benefits offerings in the years beyond the three year operational budget will be based on legal, financial, recruitment, and retention considerations.

Employee Insurance
Currently and during the start up and entire three year operational budget period, The Caepe School will not offer employee insurance beyond that legally required. This policy may be reviewed at a later date. Any decision to add employee insurance benefits in the years beyond the three year operational budget will be based on legal, financial, recruitment, and retention considerations.

Office Supplies
We have had generous community donations of office supplies for the past five years. The start up budget reflects $500 and it will cover all costs given that supplies for July have been purchased previously.

Instructional Consumables
This covers all student and consumable work books. Based on previous year actuals this has been $185 or less per student. The $500 in the start up represents a conservative addition to cover incidental consumables.

Membership Dues, Registrations & Travel
The $500 in start up budget reflects membership fees for National Organizations for teachers with the average cost being $40. $500 is expected to cover these costs.

Contracted Services (AIS)
This category includes business office and financial services, consulting services with expertise in Charter School transition and compliance with Arizona Charter School requirements, and legal services. The start up fee is consistent with the fees in the three-year budget.

Based on our experience using consulting service as a private school and researching available service providers and market rates we selected the best value to achieve our goals.

Contracted Services (Special Education)
$2,000 Start up
We have secured contracted services to support our students with special education needs. The $2,000 fee is to cover the costs of initial evaluations and services to prepare for the year.

Curriculum and Resource Materials
The Caepe School currently has sufficient curriculum and resource materials. We are aligned with common core standards. This $1,000 expense will cover the costs for securing any additional costs as we confirm actual costs versus estimates. This $1,000 includes the cost of assessment tools outlines in the PMP for both Math and Reading-Mastery Connect $450, IXL Math $398, and DIBELS monitoring for grades K-3 based on enrollment projections $56.

SAIS Software
Teacher Ease/Common Goals on line membership is already in place. The expense shown in this category is our actual annual membership fee. There are no additional planned expenses for this category.

Marketing and Advertising
$1,000 Start up
The Caepe School will continue with the ongoing advertising and promotion efforts consistent with section C.2 at the cost of The Caepe Private School until May 2014. Beginning in May of 2014, the Caepe will continue the grass roots efforts and events to recruit and promote enrollment and will additionally spend $1,000 on paid ads in May, June and July 2014.

Operation and Maintenance

Building Rent/Lease/Loan

The Caepe School has leased and occupied this facility since June 2011. These numbers are based on actual lease agreement.

Building and Improvements
Land and Improvements

The Caepe School has leased and occupied this facility since June 2011. We currently operate The Caepe School in this facility as a private school executing the same educational program described in this application.

We do not plan facility changes when we transition from a private school to an Arizona State charter school. The facility requires no modifications for scale, safety or legal compliance. The facility will support the projected increase in student enrollment as described in the business plan.

Property/Casualty Insurance
This is based on our current actual expenditure for this category.

Liability Insurance
This is based on our current actual expenditure for this category.

Utilities
This estimate is based on the actual history of utility expense at this facility since June 2011. We included a modest increase to that history of expenses.

The Caepe School is currently engaged with John Panfil in a very extensive energy audit of our facility. Mr. Panfil is a successful energy efficiency expert who has generously volunteered to help the Caepe School with this EDEE project. This experiential learning event for our students should result in actual utility savings. Being financially conservative, these expected savings are not part of the three year operating budget. We have conservatively entered a moderate increase in utility costs while pursuing a planned reduction.

Phone/Communication/Internet
This estimate is based on our history at this facility since June 2011. This includes Cox phone and internet services.

Student Furniture and Equipment
All leased areas are suitably furnished for the planned activities in that area.
We do not plan additional furniture/equipment or upgrades during start up time period.

Office Furniture and Equipment
All leased office areas are suitably furnished for the planned activities in those areas.
We do not plan additional furniture/equipment or upgrades during start up time period.

Other leases (Security, Copiers)
This is based on our actual lease agreement for our multifunction copier/printer/scan/fax.