

MOT Charter School

Key Assumptions and Notes to Accompany Budget Projections

Application for Modification, January 2, 2013

#1 - Year 0 is the planning year which is 2013-2014. Year 1 is the first year of the expansion 2014-2015 servicing new 9th and 10th grade students.

2 - Prior Year Carryover Funds is determined using Ending Cash projections from the November 2012 Board report - \$3,635,949.

3 – State, Local and Federal funding projected is based upon actual revenue analysis from fiscal year 2011 to fiscal year 2013. Revenues were conservatively projected to reflect the estimated additional units earned based on enrollment estimates, but with no increase in funding levels at the state or local or federal level. State funding was conservatively adjusted to reflect the addition of CTE related courses, assuming that only one quarter of the high school students enroll in a single approved CTE course.

4 - Other Local Revenue projections are based upon historical actual results from fiscal year 2011 to fiscal year 2013. The majority of these funds are related to student activities and facility rental fees collected, as well as interest earned on existing funds.

5 - Other Revenue of \$100,000 is based upon expected grants from Delaware and national education foundations and contributions from community members.

#6 - The only Federal Revenue that is projected is funds from the annual Federal Consolidated Grant. MOT Charter receives IDEA, IDEA PRE, Title I and Title II and Perkins funds. Growth model is based upon headcount increases year over year. All Federal expenses are spent on related staffing and expenses approved in the grant. Average Classroom Teacher Salary based upon historical data from fiscal year 2011 to fiscal year 2013 is \$48,900.

7 - Staffing was determined based upon current headcount and the additions referenced in the Appendix at Attachment J. Average Salary per category is based upon historical data from fiscal year 2011 to fiscal year 2013.

8 - Current mortgage payment projections are based on the attached debt schedule. See Attachment O. Projected additional financing costs are based on \$900,000 at 5.25% for the land in years 1 and 2, and adding an additional \$12,000,000 in financing for a total of \$12,900,000 at 5.25% in years 3 and 4. See Attachment O. Construction estimates have been provided by well-known national contractors and the interest rate projection was provided by Peter Svahn, a recognized expert in charter school bond financing.

#9 - All other expenses are projected based upon historical actual results from fiscal year 2011 to fiscal year 2013 with additional high school related expenses based on the additional students projected each year. High school expenses were determined by reviewing expenses of other charter high schools and discussions with CSW.