

EINSTEIN CHARTER SCHOOL

PROPOSED BUDGET

NARRATIVE

FISCAL YEAR 2012-13

- I. **EINSTEIN CHARTER SCHOOL BUDGET MESSAGE:** The proposed budget is in keeping with the mission of Einstein Charter School, in cooperation with family and community, to promote academic excellence in teaching and learning through an integrated focus on mathematics and science in interdisciplinary curricula to develop lifelong learning habits among all stakeholders, to be supportive of children's social and emotional needs, and to constantly strive to provide the best education to all its students.
- II. **PROPOSED FINANCIAL PLAN:** The Einstein Charter School Board and the school administration have implemented accounting principles and financial planning based upon Generally Accepted Accounting Principles as per advice of the school's contracted Certified Public Accountant, Phil Hebert and by the accounting firm of Laporte, Sehr, Romig & Hand, CPAs.
- III. **OBJECTIVES:** To provide the best possible educational process for the students of Einstein Charter School while reflecting the values, goals, and aspirations of the school's students, teachers, leadership team, Board and the community at large. This year, as in preceding years, requirements, needs, and priorities were examined and the goal of the school is centered on trying to maintain high quality educational, co-curricular, and support programs for our students in an extremely volatile financial climate. The school must recognize and respond to the perilous financial climates in which all local services must be prioritized for delivery with limited resources available from state and local governments.
- IV. **ASSUMPTIONS:** This year Einstein Charter School will endeavor to maintain personnel staffing levels and provide the necessary supplies at levels that are consistent with providing the best possible teaching environment for the students. The administration assumes that funding will be available thru the various State of Louisiana, Federal, and local sources to adequately support the school's functions. In the case where adequate funding from the above mentioned revenue sources is not available, then funds available from Einstein Charter School's cash reserves are available to meet budgetary projections as long as any shortfalls do not exceed Einstein Charter School's available cash reserves.
- V. **BUDGETARY BASICS:** The proposed budget is based upon estimates of Revenues obtained from the State of Louisiana and Orleans Parish School Board. Expense estimates are based upon Einstein Charter School historical information available over the past three years and upon verbal direction of the Principal's Office.
- VI. **MOST IMPORTANT FEATURES:**
 - A. **REVENUES:**
 1. General Fund revenues are based upon Einstein School receiving an estimate of \$8082.00 in Minimum Foundation Program funding per eligible student for the upcoming fiscal year. Einstein Charter School's Principal estimates 443 eligible students (Feb. 1, 2012 LDOE Student Count) for the upcoming year as per directive of the Orleans Parish School Board.
 2. Special Revenue revenues available to Einstein Charter School are from the federal Title I, Title II and IDEA/Special Education programs. State of Louisiana Special Revenue fund sources are available to the school thru the Cecil J. Picard/LA4

program. Budgets for these programs are developed by and determined by the Orleans Parish School Board. Copies of each proposed revenue budget are determined by Orleans Parish School Board and made available to Einstein Charter School but are subject to the availability of same from Orleans Parish School Board. Please note that all Special Revenue budget amounts are based upon the 2010-11 budgetary amounts as at the time of the compilation of materials for the proposed 2012-13 budget information on all the 2012-13 programs budgets by Orleans Parish School Board were not yet available.

3. Miscellaneous revenues are estimated upon the return on investment on Einstein Charter School's cash reserves which are based upon fluctuating interest rates as determined by prevailing capital markets plus estimates on other revenue sources including a statistical 2.96% student census increase.
4. Einstein Charter School's Fund Balance is \$1,758,373.00 per year ending audited Annual Financial Report, June 30, 2011 as prepared by LaPorte, Sehrt, Romig & Hand CPAs and submitted via encryption to the Louisiana Department of Education.

B. EXPENSES:

1. Employee salary: Expenses are estimated based upon Einstein Charter School's historical salary schedule. Information extracted from attached spreadsheets was used to prepare estimates of each employee category by individual employee and then categorized by function and character.
2. Employee benefits: Expenses for employee benefits are sick pay, retirement, Medicare, unemployment insurance, workmen's compensation, and medical insurance.
 - a. Sick Pay is calculated at 70 hours per full time employee times that employee's hourly salary.
 - b. Retirement benefits are payable to the Teachers Retirement System of Louisiana at the rate of 24.5 per cent of the all pay to an employee.
 - c. Medicare is payable to the U.S. government at the rate of 1.45 per cent of applicable estimated wages of all employees save any employees who are designated FATS.
 - d. Unemployment, State of Louisiana is based upon .005 of estimated wages payable for all employees as determined by the Orleans Parish School Board.
 - e. Workmen's Compensation Insurance is based upon an estimated historical average of the previous year's premium paid.
 - f. Medical Insurances are based upon an estimate of the previous year's annual policy premiums for major medical, dental, and vision insurances.
3. Instructional Supply and Materials & Supply: expenses for supplies in the various functions are based determined by verbal authority from the Principal's office and based upon last three years comparisons.
4. Repairs & Maintenance: expenses are estimated in the various functions, specifically Principal's Office and Building & Grounds, based upon past years historical expenses and verbal authority from the Principal's Office.
5. Telephone, Internet, Postage, Advertising, Dues & Fees, Professional & Technical Services, and Travel expenses in the Principal's Office and Business Office functions are based upon past years historical expenses and verbal authority from the Principal's Office.
6. Legal Services, Accounting and Auditing Services are estimated based upon past year's historical expenses and verbal authority from the Principal's Office.

7. Liability and Errors and Omissions Insurances are based upon past years historical expenses.
8. Property Insurance is based upon estimates obtained from the Recovery School District at \$40.78 per student based upon student counts as estimated by RSD.
9. Building and Grounds expenses of Waste and Debris Removal, Repairs and Maintenance, Electricity, Care and Upkeep of Grounds and Security are based upon past year's historical expenses and verbal authority from the Principal's Office.
10. Central Services expenses are for the following for the fiscal year 2012-13:
 - a. Orleans Parish School Board Administrative Fee: 2% of MFP wire on a monthly basis.
 - b. I/T: payable to E-Rate based upon estimate of \$52,896.00.
 - c. Food Service: payable to Orleans Parish School Board estimated cost \$14,310.00 as per historical cost from Orleans parish School Board.
 - d. MUNIS: Application service cost for Einstein Charter School computer software service on an annual estimate of \$8962.00

VII. STATEMENTS: see attachments.

