

Indiana Charter School Board

CARPE DIEM EXPANSION

An “experienced operator” is defined as either: (a) an applicant group that has previously operated a charter school or a network of charter schools; or (b) an applicant group that has not previously operated a charter school but intends to contract with an Education Service Provider (ESP). Per IC § 20-24-1-6.1, ESP is defined as a “for profit education management organization, nonprofit charter management organization, school design provider, or any other partner entity with which a charter school intends to contract for educational design, implementation, or comprehensive management.”

A Letter of Intent (LOI) must be completed by the team of individuals and/or the organization considering submitting an application to the Indiana Charter School Board to establish a charter school in Indiana.

Note: Submission of an LOI does not obligate the team and/or organization to submit an application. However, applicants are advised that the name of any entity that submits an LOI will be posted on the ICSB website. In addition, the LOI is subject to Indiana’s Public Access Laws, including public records requests.

Name of charter school: Carpe Diem – School 2

Charter school location:* Northeast Indianapolis

**Please indicate the city/town and, if known, potential address or neighborhood of the school location. Virtual operators should indicate the relevant geographies the operator intends to serve.*

School district of school location: Indianapolis Public Schools

Legal name of group applying for charter: Carpe Diem Indiana

Applicant’s designated representative: Robert Sommers

Address: 301 North Breiel Blvd

Middletown OH 45042

Office and cell phone numbers: 513-673-2733

Email address: Robert.sommers@carpediemls.com

Planned opening year for the school: 2015

Model or focus of proposed school:
(e.g., arts, college prep, dual-language, etc.) Personalized blended learning

Proposed grade level(s) and student enrollment:

Academic Year	Grade Levels Served	Total Number of Students Served
Year 1	6-10	160
At Full Capacity	6-12	300

Target student population (if any): Not applicable

Does the school expect to contract or partner with an Education Service Provider (ESP) or other organization for school management/operation? Yes No

If yes, identify the ESP or other partner organization.

Carpe Diem Learning Systems, LLC

Indiana Charter School Board

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Name of charter school: Carpe Diem – School 3

Charter school location:* Northwest Indianapolis

**Please indicate the city/town and, if known, potential address or neighborhood of the school location. Virtual operators should indicate the relevant geographies the operator intends to serve.*

School district of school location: Indianapolis Public Schools

Legal name of group applying for charter: Carpe Diem Indiana

Applicant’s designated representative: Robert Sommers

Address: 301 North Breiel Blvd

Middletown OH 45042

Office and cell phone numbers: 513-673-2733

Email address: Robert.sommers@carpediemls.com

Planned opening year for the school: 2015 or 2016

Model or focus of proposed school:
(e.g., arts, college prep, dual-language, etc.) Personalized blended learning

Proposed grade level(s) and student enrollment:

Academic Year	Grade Levels Served	Total Number of Students Served
Year 1	6-10	160
At Full Capacity	6-12	300

Target student population (if any): Not applicable

Does the school expect to contract or partner with an Education Service Provider (ESP) or other organization for school management/operation? Yes No

If yes, identify the ESP or other partner organization.

Carpe Diem Learning Systems, LLC

Carpe Diem Indiana Growth

2015-2016

Presented for consideration to

Indiana Charter School Board

June, 2014



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Overview

We have been asked by key community leaders to grow the Carpe Diem presence in Indiana, beginning with expansion in Indianapolis. The Carpe Diem Indiana Board of Directors concurred with this desire and voted affirmatively to activate 2 charters.

The proposal is to use 2 of the board's 5 remaining charters to open new schools within the Indianapolis school district. These will be 300 student models similar to the Meridian school. One school is proposed for opening in FY2015 with the potential for a second opening if funding is available by 3rd quarter 2014.

Carpe Diem Learning Systems, LLC acting as the Carpe Diem Indiana's CEO and central office recommended approval of this project. The recommendation was based upon the following criteria:

1. A quality timeline capable of building the buildings required and engaging school leaders early enough to build community support and, in turn, enrollment.
2. Immediate cash availability and long term cash capacity to maintain the 60 day working capital expectation set by the management company.
3. Support from community leaders and a plan for acquiring grass roots community support in advance of construction and opening.
4. The generally supportive nature of the charter environment in the Indianapolis area.
5. A solid operating budget.
6. Sustainability of Meridian enrollment as school expansion occurs.

Indiana Charter School Board proposal

The proposal before the board is to activate 2 charters immediately, but plan their opening for FY2015 and FY2016 unless additional funding is established by the 3rd quarter of 2014. If additional funding is provided by then, both schools will be opened in FY2015.

It was the intention of Carpe Diem Learning Systems in cooperation with the Carpe Diem Indiana board of directors to grow to at least 6 schools in Indiana. Carpe Diem Learning Systems established this expectation when they required 6 charters to be approved prior to committing to Indiana. This proposal is consistent with this long term growth strategy.

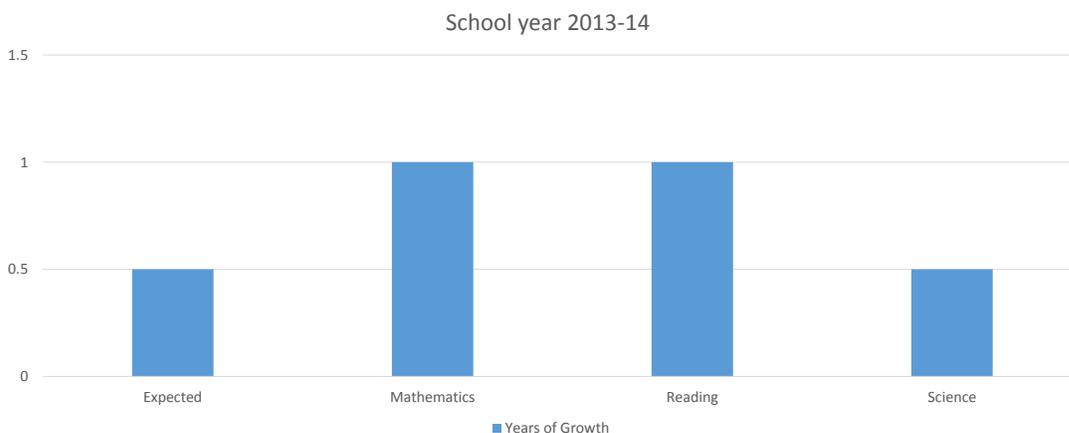
Carpe Diem - Meridian stability

Academic

Carpe Diem - Meridian is on track for another successful academic year. While academic results are not yet available, interim performance results are tracking well as indicated in chart 1 below. As a reminder, Carpe Diem – Meridian had an exceptional FY2013 academic performance. It exceeded target performance rates by 14 percentage points (89% average versus 75% target) and exceeded the underlying school district by 31 percentage points.

FY2014 academic growth has been strong. According to NWEA-MAP results from fall and winter assessments, the average growth by subject area has been

Carpe Diem – Meridian 1st Semester Results



These results are very strong considering there are several students who were able to “max out” on the NWEA-MAP test last year and therefore cannot demonstrate additional growth.

Using NWEA-MAP results from fall and winter of each year, we have predicted a conservative estimate of academic achievement for FY2014. We anticipate being slightly above the 75% performance target and well above the underlying school district. Meridian academic staff report a very challenging group of students (approximately 36% students with disabilities) again this year, but they are optimistic as these predictions are consistent with their daily performance tracking. Further state academic performance data may be available by the time the Indiana Charter School Board meets.

Academic performance trends - Carpe Diem Meridian					
Year	Subject	Fall MAP	Winter MAP	State assessment results	IPS
FY2013	Math	49%	65%	88%	61%
	Science	45%	53%	91%	
	Reading	71%	67%	87%	51%
FY2014*	Math	50%	56%	76%	61%
	Science	46%	55%	94%	
	Reading	53%	61%	79%	51%
*Actual Fall and Winter results. All others projected.					

How to read the chart:

- Fall and winter MAP results report the percent of students who are at grade level according to MWEA-MAP criteria. These results are NOT percent passage rates on tests.
- State assessment results and IPS results are the percent of students who passed the assessments at the state established cut scores.

Chart 1 – Actual and predicted academic performance

Financial

Carpe Diem – Meridian had a difficult financial year in FY2013 due to low start up enrollment. The low enrollment was the result of an aggressive opening strategy. The proposal before the board for expansion corrects this aggressive opening strategy so a repeat of these problems is not likely.

FY2014 has proven to be a very successful year financially. Chart 2 contains the year to date income statement. It shows the school is exceeding budget expectations and is trending to a positive net income. All indications are the school will end the year with a positive net income, will pay down the cash flow line of credit to \$0, and will see revenues exceed and expenses come in under budget expectations.

Account Description	Actual YTD	Budget YTD	Variance %	Total Budget	Budget Remaining
Revenue Limit	\$913,529	\$934,634	-2.3%	\$1,255,638	\$342,109
Federal Revenue	\$314,067	\$271,722	15.6%	\$350,841	\$36,774
Other State Revenue	-	-	0.0%	-	-
Local Revenue	\$69,843	\$95,000	-26.5%	\$95,000	\$25,157
Total Revenues	\$1,297,439	\$1,301,356	-0.3%	\$1,701,479	\$404,040
Certificated Salaries	\$396,608	\$412,947	4.0%	\$550,596	\$153,988
Classified Salaries	\$24,567	\$22,500	-9.2%	\$30,000	\$5,433
Employee Benefits	\$118,917	\$147,816	19.6%	\$197,088	\$78,171
Books and Supplies	\$60,344	\$42,138	-43.2%	\$56,184	(\$4,160)
Services & Other Operating Expenses	\$566,196	\$469,152	-20.7%	\$625,328	\$59,132
Capital Outlay	\$17,808	\$133,650	86.7%	\$178,200	\$160,392
Other Outgo	\$14,936	\$9,900	-50.9%	\$13,200	(\$1,736)
Total Expenses	\$1,199,376	\$1,238,103	3.1%	\$1,650,596	\$451,220
Net Income	\$98,063	\$63,253	55.0%	\$50,883	(\$47,180)

Chart 2 – Carpe Diem – Meridian income statement, March YTD FY2014

Carpe Diem – Meridian’s balance sheet continues to improve. All debts are being paid on schedule. Outstanding loan principle has been reduced by \$150,000 on debts exclusively the responsibility of Carpe Diem Indiana. The balance sheet includes philanthropically backed lines of credit of \$350,000.

Liquidity Ratio	12.4
Assets	
Current Assets	
Cash	\$32,164
Prepaid Expenses	\$90,000
<i>Total Current Assets</i>	<i>\$122,164</i>
Fixed Assets	
Buildings and Improvements	\$213,681
Computer Equipment	\$339,638
Accumulated Depreciation	(\$68,166)
<i>Total Fixed Assets</i>	<i>\$485,153</i>
Other Assets	
<i>Total Other Assets</i>	
Total Assets	\$607,317
Liabilities And Net Assets	
Current Liabilities	
Accounts Payable	\$10,130
Accrued Salaries, Payroll Taxes, Postemployment Benefits	(\$244)
<i>Total Current Liabilities</i>	<i>\$9,886</i>
Long Term Liabilities	
Loans Payable	\$811,852
<i>Total Long Term Liabilities</i>	<i>\$811,852</i>
Total Liabilities	\$821,738
Net Assets	
Unrestricted Net Assets	(\$312,484)
Profit/Loss YTD	\$98,063
<i>Total Net Assets</i>	<i>(\$214,421)</i>
Total Liabilities And Net Assets	\$607,317

Chart 3 – Carpe Diem – Meridian balance sheet, March 2014

Carpe Diem – Meridian’s financial stability continues to track well into FY2015. Enrollments continue to improve and cost saving measures implemented in FY2014 will further improve net income projections. This will position the school well for future capital needs and staffing requirements.

Adding the proposed schools will accrue cost savings to Carpe Diem – Meridian. These cost savings are not included in the projections and would represent a further improvement in the overall financial stability of Carpe Diem - Meridian. The savings include:

- Sharing IT support costs across the 2-3 schools (estimated \$15,000 savings per year)
- Student information system discounting for multiple schools (estimated \$4,000 savings per year)
- Health insurance (increased subsidized coverage available for staff without cost increases)
- General insurance including D&O insurance
- Facilities management (estimated 10% discount for multiple sites)

Carpe Diem Learning Systems commitment

If three Indiana schools are operational in the fall of 2015, Carpe Diem will establish a full time resident Carpe Diem manager in Indianapolis at Carpe Diem Learning Systems expense. This person will have exclusive responsibility to work with Carpe Diem Indiana to manage the central office responsibilities and raise funds for the remaining 3 charters to be activated.

Financial support for expansion

The per-school start up revenue required for each school is \$610,290. Technology and furniture will be financed like it was for Carpe Diem - Meridian. Chart 4 contains start-up cost details consistent with experiences with Carpe Diem – Meridian.

Item	Cost estimate	Cash required	Financed
Startup staff costs	\$ 132,351	\$ 132,351	
Technology	\$ 400,000		\$ 400,000
Marketing	\$ 50,000	\$ 50,000	
Legal	\$ 5,000	\$ 5,000	
Staff development	\$ 35,000	\$ 35,000	
Project management (CDLS)*	\$ 120,000	\$ 120,000	
Furniture and equipment	\$ 260,000		\$ 260,000
First year expenses**	\$ 267,940	\$ 267,940	
Total Expenditures	\$ 1,270,290	\$ 610,290	\$ 660,000
* Project payment begins upon project start			
** Based on 160 1st year enrollment & \$7,200 per pupil state funding			

Chart 4 - Anticipated start-up costs

The financial support of the first school's opening has been secured through the term sheets for 3 backed lines of credit. These lines of credit will provide working capital for the start-up and first year of operation. The term sheets are specifically designed to assure financial stability for the school until it is fully operational. These lines of credit are anticipated to be paid for by philanthropic and federal start-up funds. One line of credit will be maintained to assure maintenance of the 60 day working capital cash flow provision required by Carpe Diem Learning Systems.

The lines of credit are provided so the project management fees, which begin immediately, and the costs for hiring a full time principal in August can occur. These lines of credit will also ensure financial stability regardless of additional philanthropy or grants and the payback provisions have been structured to assure a strong financial picture regardless of philanthropy results.

Two immediate sources of funds to pay for the lines of credit are

- Walton grant - \$245,000
 - The Walton grant will be applied for in the fall of 2014 and will be available for expenses anticipated in summer of 2015.
 - The deadline for submitting this grant is anticipated in August, 2014 and at other times between now and the start of school.
 - This funding source has a moderate risk of not materializing
- Federal startup funds (PCSP funds) - \$90,000 first year, \$240,000 second year, \$240,000

- We have confirmed the continued availability of the federal charter school start-up funds for FY2015. The amounts presented are based on experiences with Carpe Diem – Meridian.
- The deadline for submission of the first year grant is a rolling window. Indiana Department of Education staff suggest submitting the grant after receiving charter approval and at least 60 days prior to anticipated need for funding. Grant application materials are substantially prepared and can be submitted at any time after August, 2014.
- This funding source has a minimal risk of not materializing

Financial sustainability of all schools

The following is a 5 year projection of the financial sustainability of Carpe Diem Indiana schools. The budget projections are provided in detail for 5 year budget projections for Carpe Diem – Meridian and for the new school respectively. Opening 2 schools in the fall of 2015 would simply add an additional school using the budget provided for a new school. Some minor financial advantages may be accrued but are not presented.

Overall 5 year projections of revenue, expenses, and net cash position for Carpe Diem Indiana are presented below.

Carpe Diem Indiana financial summary (3 schools)					
	FY2015	FY2016	FY2017	FY2018	FY2019
Carpe Diem - Meridian	\$ 1,949,477	\$ 2,198,633	\$ 2,204,841	\$ 2,240,489	\$ 2,244,080
School 2	\$ 125,000	\$ 1,686,077	\$ 2,152,433	\$ 2,204,841	\$ 2,240,489
School 3	\$ 125,000	\$ 1,686,077	\$ 2,152,433	\$ 2,204,841	\$ 2,240,489
Total Revenue	\$ 2,199,477	\$ 5,570,786	\$ 6,509,707	\$ 6,650,171	\$ 6,725,058
Carpe Diem - Meridian	\$ 1,726,075	\$ 1,760,440	\$ 1,830,233	\$ 1,868,574	\$ 1,883,097
School 3	\$ 229,700	\$ 1,548,308	\$ 1,654,513	\$ 1,733,366	\$ 1,771,614
	\$ 229,700	\$ 1,548,308	\$ 1,654,513	\$ 1,733,366	\$ 1,771,614
Total Expenses	\$ 2,185,475	\$ 4,857,057	\$ 5,139,259	\$ 5,335,306	\$ 5,426,324
Net Income	\$ 14,001	\$ 713,730	\$ 1,370,448	\$ 1,314,864	\$ 1,298,734

Chart 5 - Carpe Diem Indiana summary budgeted financial position - 5 year projection

Community engagement

Our targeted community is noted in the site selection section of this proposal. As noted in the selection criteria, this community needs more good academic seats and has tremendous potential to improve student results. We are confident this need will result in strong community support once we have a principal engaged full time.

Community engagement has at least two parts. The first is simply acceptance by the community and providing information about the school and what it hopes to accomplish. The second is actual student enrollment.

Hiring

To accomplish the community engagement, a principal will be hired by August, 2014. The principal will be the key leader for community engagement. 100% of the principal's time from August through December will be devoted to this effort. Significant time will be devoted to community engagement throughout the first quarter of 2015 as well.

From March through start of the school, all energy will be focused on enrollment and staff preparation for the start of the school year. Marketing will continue until enrollment targets are met.

In addition to cultivating relationships in order to better support our potential students, parents and families, the school leader will inform the community of our unique program that includes:

- Student-centered personalized learning
- Culture of learning with high expectations
- Individualized pacing and mastery-based acceleration
- Teachers plus technology
- Data informed instruction
- Student empowerment over instruction
- Pyramid of interventions to meet academic, social and emotional needs
- Community partnerships for internships, college and community service
- Parental involvement opportunities
- Dual credit (earn an AA degree and a HS diploma)
- Flexible learning pace, place and purpose
- Career Technical Education (CTE)

Marketing materials

Marketing and distribution materials need to be created and, based upon neighborhood demographics, may need to be created in both English and Spanish. These materials include:

- Brochure of results of current campuses
- Pull tab fliers
- Postcards
- 1 pager

- Door hangers
- Info session PPT
- “Day in the Life” video
- Updated webpage

Community team

A community team will include parent volunteers who are truly passionate about the school coming to the community – they will help sell the unique nature of Carpe Diem in order to convince families that the school will make a big difference. The team of people on the ground will be those who are convinced that Carpe Diem is the best option for students who are interested in becoming active participants in their education. The team will post fliers, host info sessions, place stacks of postcards and individually hand out door hangers as appropriate. The team will also arrange parent visits Carpe Diem - Meridian, so that these parents can give first hand testimonials and speak at info sessions.

Information sessions

A minimum of 2 information sessions will be held each week, and sessions for the community at large will be planned as often as we’re confident that we’ll have 30+ attendees (60+ is preferred). Examples that don’t fit this “community at large” description but will be pursued include sessions in people’s living rooms and community spaces, sessions hosted by an individual company/employer, or sessions open to parents of a specific school or other subgroup. Public sessions will be held at least every other week during open registration and once a month thereafter (including during the school year). Info sessions can also be scheduled around “special events” when possible. Examples:

- Hiring Principal
- Announcing location
- Visit from existing Carpe Diem family
- Other guest speakers

Email blasts

Weekly or biweekly email blasts will go out on Fridays or over the weekend. The primary focus of these emails will be to advertise info nights, location updates, open registration, and to encourage community members to spread the word and asking for their input on effective advertising and other topics.

Reminder emails will be sent the day before each info session.

Social media

Facebook, Twitter, and LinkedIn accounts will be created and actively maintained as soon as possible after charter activation.

Purchased marketing

This is a secondary tool unless other efforts prove ineffective. Select ads will be taken out with their continued/ongoing reach in mind.

Press

Press coverage will not begin until all board and state approvals have been received. Press coverage will be top of mind as each phase of the school development occurs.

Local support

Before the site is finalized, but after it is under control, Carpe Diem will identify and contact local elected officials and seek their support. Additional neighborhood and area groups or organizations including area churches will be contacted to both provide information and seek support. As supporters are identified, they will be enlisted in a volunteer effort to “spread the word” about the new school.

New school sites

The Carpe Diem Indiana board established some basic criteria for a new site for the schools being proposed. These criteria included:

- Impact on Meridian enrollment
- Accessibility to potential student populations
- General support from the surrounding community
- Desirability for school site including such factors as cost, challenges, location, and bandwidth
- Academic need for improving the educational options available to potential students

Carpe Diem Learning Systems has reviewed 33 potential sites in detail. Most have been eliminated as unusable for one reason or another. The most common reasons for elimination included too close to Meridian, too expensive, inadequate space, location/challenges within the area, and not in IPS.

The recommended site for the first school is in Northeast Indianapolis. The additional school is recommended for Northwest Indianapolis. A primary site is under consideration pending charter activation for each of the two schools. The asking price is within our budget on both sites. Bandwidth is strong. General conditions around the school site are desirable.

The sites are beyond 5 miles from Meridian and should have, at worst, minimal impact on the Meridian Campus site. The sites are within close proximity to active neighborhoods. Student populations are strong. Population growth is anticipated over the next 5 years. There is a mix of household income levels with about 50% below \$50,000 per year.

The sites will provide underserved students with a quality educational option. Students will logically come from IPS, but some will come from neighboring school districts. IPS school quality problems are evident. Surrounding schools to the site have C state ratings. The sites are within or near an IFF Priority Area.

Model adjustments to accommodate parent/student recommendations

While the Carpe Diem – Meridian Campus has been successful, we have received useful feedback from parents and students regarding school amenities. The new schools will be adjusted to incorporate some of these recommendations. The most prominent changes will include

- Additional physical fitness space including a gym.
- The capacity for serving hot food for breakfast and lunch
- Expanded project work activities including provisions for art

Expanding the number of schools under operation will also afford more student interaction, joint social events, and other opportunities desired by students at Meridian. This will not detract from the unique experiences each school will develop for their students.

Carpe Diem Indiana will be undertaking retrofits to the Carpe Diem – Meridian Campus to assure all Carpe Diem Indiana school facilities are of similar quality. This will be critical to enrollment and staff morale at Carpe-Diem - Meridian.

Major project milestones

The major milestones with start and deadline requirements are presented below. This is presented as a “per school” list. If both schools are implemented, some synergies are accrued including the use of a lead principal for community engagement, site selection, and project management.

Item	Must start by (typical)	Deadline (End of month)
Confirm startup funding	October, 2013	May, 2014
Activate charters	April, 2014	June, 2014
Identify site	September, 2013	July, 2014
Hire principal	June, 2014	August, 2014
Complete site acquisition and architectural designs	March, 2014	September, 2014
Establish parent interest	October, 2014	December, 2014
Facilities planning and construction	July, 2014	March, 2015
Hold enrollment window	March, 2015	March, 2015
Technology and furniture	January, 2015	March, 2015
Hire faculty and staff	February, 2015	April, 2015
Complete marketing	November, 2014	July, 2015
Training	June, 2015	August, 2015
Start school	-	August, 2015

Chart 6 - Major project milestones

Carp Diem - Meridian Five-Year Revenue and Expenditure Projections					
	Current	Year	Year	Year	Year
Assumptions	Year	2	3	4	5
State & local government price deflator (COLA) %	0.0%	1.2%	1.2%	1.2%	1.2%
Student Growth	0	12%	0%	0%	0%
Total students	260	290	290	290	290
REVENUES					
3111 Basic Grant	1,867,840	2,111,200	2,111,200	2,140,200	2,140,200
4223 Special Education-611 Part B	25,300	27,096	29,020	31,081	33,287
4514 Title I	56,337	60,337	64,621	69,209	70,593
6610 PCSP - Implementation Yr 2	-	-	-	-	-
1920 Contributions, Donations, Philanthropy	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	\$ 1,949,477	\$ 2,198,633	\$ 2,204,841	\$ 2,240,489	\$ 2,244,080
EXPENDITURES					
Salaries					
1110&1200 Total Salaries	\$ 650,580	\$ 663,592	\$ 676,863	\$ 690,401	\$ 690,401
Benefits					
2120 Social Security-Noncertif.	25,308	25,890	26,408	26,936	26,936
2110 Social Security- Certif.	24,461	24,875	25,372	25,880	25,880
2220 Group Health Insurance	85,000	89,250	93,713	98,398	103,318
2250 Workers Comp. Insurance	3,500	4,025	4,629	5,323	6,122
2160 Retirement	60,808	62,024	63,265	64,530	65,821
Books and Supplies					
6110 Operational Supplies	5,000	5,100	5,202	5,306	5,412
6140 Food Purchases	1,000	1,100	1,210	1,331	1,464
6110 Instructional Materials	2,000	2,100	2,205	2,315	2,431
6210 Electricity	32,000	34,560	35,500	36,500	36,500
7470 Content - Licenses	34,000	22,000	22,000	22,000	22,000
6300 Textbooks	1,700	1,870	2,057	2,263	2,489
6110 Other Supplies and Materials	3,000	3,300	3,333	3,366	3,400
Services and Other Operating Costs					
3110 Instruction Services	62,271	66,692	71,427	76,499	78,029
3110 Computer Assist Inst. Servs.	-	-	45,000	50,000	50,000
3190 Other Professional & Technical	51,000	52,530	54,106	55,729	57,401
6220 Gas	5,200	5,616	6,065	6,551	6,878
Student Transportation	14,000	14,420	14,853	15,298	15,757
4120 Removal of Refuse & Garbage	1,500	1,500	1,620	1,620	1,701
4190 Other Public/Private Utility Serv.	1,000	1,080	1,166	1,260	1,323
4200 Cleaning Services	32,000	32,960	33,949	34,967	34,967.26
4300 Repairs and Maint Serv	1,000	1,030	1,061	1,093	1,126
4400 Rentals	226,506	233,301	240,300	247,509	254,935
Other Purchased Property Serv	10,847	11,172	11,508	11,853	12,208
5200 Insurance	19,000	21,280	22,556.80	23,910	25,344.82
5310 Telephone & 7440 Connectivity	17,000	9,860	10,649	11,501	12,421
Postage & Postage Machine	300	309	318	328	338
5400 Advertising	50,000	35,000	25,000	20,000	15,000
5500 Printing& Binding	500	515	530	546	563
5800 Travel-Instr Staff Trng	2,000	2,060	2,122	2,185	2,251
3190 Other Purchased Services	233,937	263,836	264,581	268,859	269,290
3190 Professional Development	2,300	2,369	2,440	2,513	2,589
8100 Dues and Fees	37,357	42,224	42,224	42,804	42,804
Facilities, Capital & Interest					
7300 Equipment	-	-	-	-	-
9700 IFF	13,000	\$ 9,000	\$ 7,000	-	-
8320 JP Morgan Chase	17,000	14,000	10,000	9,000	6,000
Total Expenditures					
	\$ 1,726,075	\$ 1,760,440	\$ 1,830,233	\$ 1,868,574	\$ 1,883,097
Surplus (Deficit)	\$ 223,401	\$ 438,193	\$ 374,608	\$ 371,916	\$ 360,983

Carpe Diem Indiana - School 2 and 3 - Individual school financial projection					
	Current	Year	Year	Year	Year
Assumptions	Year	2	3	4	5
State & local government price deflator (COLA) %	0.0%	1.2%	1.2%	1.2%	1.2%
Student Growth	0	56%	16%	0%	0%
Total students	160	250	290	290	290
REVENUES					
3111 Basic Grant	1,149,440	1,820,000	2,111,200	2,140,200	2,140,200
4223 Special Education-611 Part B	25,300	27,096	29,020	31,081	33,287
4514 Title I	56,337	60,337	64,621	69,209	70,593
6610 PCSP - Implementation Yr 1	245,000	245,000	-	-	-
1920 Contributions, Donations, Philanthropy	210,000				
Other					
Total Revenues	\$ 1,686,077	\$ 2,152,433	\$ 2,204,841	\$ 2,240,489	\$ 2,244,080
EXPENDITURES					
Salaries					
1110&1200 Total Salaries	\$ 568,330	\$ 596,747	\$ 626,584	\$ 639,116	\$ 651,898
Benefits					
2120 Social Security-Noncertif.	19,016	20,918	21,964	22,403	22,403
2110 Social Security- Certif.	24,461	22,369	23,487	23,957	24,436
2220 Group Health Insurance	75,000	78,750	82,688	86,822	91,163
2250 Workers Comp. Insurance	3,500	4,025	4,629	5,323	6,122
2160 Retirement	56,083	57,205	58,349	59,516	60,706
Books and Supplies					
6110 Operational Supplies	5,000	5,100	5,202	5,306	5,412
6140 Food Purchases	1,000	1,100	1,210	1,331	1,464
6110 Instructional Materials	2,000	2,100	2,205	2,315	2,431
6210 Electricity	25,000	27,000	35,500	36,500	36,500
7470 Content - Licenses	18,000	22,000	22,000	22,000	22,000
6300 Textbooks	1,700	1,870	2,057	2,263	2,489
6110 Other Supplies and Materials	3,000	3,300	3,333	3,366	3,400
Services and Other Operating Costs					
3110 Instruction Services	46,000	49,266	52,764	56,510	57,640
3110 Computer Assist Inst. Servs.	34,400	53,750	62,350	62,350	62,350
3190 Other Professional & Technical	40,000	41,200	42,436	43,709	45,020
6220 Gas	4,800	5,184	5,599	6,047	6,349
Student Transportation	8,400	8,652	8,912	9,179	9,454
4120 Removal of Refuse & Garbage	1,500	1,500	1,620	1,620	1,701
4190 Other Public/Private Utility Serv.	1,000	1,080	1,166	1,260	1,323
4200 Cleaning Services	32,000	32,960	33,949	34,967	34,967
4300 Repairs and Maint Serv	1,000	1,030	1,061	1,093	1,126
4400 Rentals	210,100	220,605	231,635	243,217	255,378
Other Purchased Property Serv	8,000	8,240	8,487	8,742	9,004
5200 Insurance	19,000	21,280	22,556.80	23,910	25,344.82
5310 Telephone & 7440 Connectivity	20,000	11,600	12,528	13,530	14,613
Postage & Postage Machine	300	309	318	328	338
5400 Advertising	40,000	30,000	25,000	20,000	15,000
5500 Printing& Binding	500	515	530	546	563
5800 Travel-Instr Staff Trng	2,000	2,060	2,122	2,185	2,251
3190 Other Purchased Services	202,329	258,292	264,581	268,859	269,290
3190 Professional Development	6,900	7,107	7,320	7,540	7,766
8100 Dues and Fees	22,989	36,400	42,224	42,804	42,804
Facilities, Capital & Interest					
7300 Equipment	25,000				
9700					
8320 LOC Interest	20,000	21,000	17,000	13,000	9,000
Total Expenditures					
	\$ 1,548,308	\$ 1,654,513	\$ 1,733,366	\$ 1,771,614	\$ 1,801,705
Surplus (Deficit)	\$ 137,768	\$ 497,920	\$ 471,474	\$ 468,875	\$ 442,375

Resolution to Expand Carpe Diem Indiana

May 5, 2014

WHEREAS, the Carpe Diem Indiana Board of Directors is committed to providing high-quality educational options to Hoosier students and families; and

WHEREAS, the success of the Carpe Diem Indiana-Meridian school in Indianapolis has been validated by results from state learning assessments and feedback from enrolled students and their parents; and

WHEREAS, the Carpe Diem Indiana Board of Directors is committed to extending Carpe Diem's unique blended-learning model to more Hoosier students and families; and

WHEREAS, Carpe Diem Indiana has five additional charters to operate new schools in Indiana that may be activated upon approval of the Indiana Charter School Board; and

WHEREAS, local education leaders, potential partner schools and philanthropic supporters have encouraged Carpe Diem Indiana's expansion in Central Indiana.

THEREFORE BE IT RESOLVED that the Carpe Diem Indiana (CDI) Board:

- Agrees to seek approval from the Indiana Charter School Board to activate two of Carpe Diem Indiana's remaining five school charters;
- Authorizes Carpe Diem Learning Systems (CDLS) to pursue the opening of a second Carpe Diem Indiana school, on the Eastside of Indianapolis, beginning with the 2015-16 academic year at a location proposed by CDLS and approved by the CDI board;
- Authorizes CDLS to pursue the opening of a third Carpe Diem Indiana school in Central Indiana, upon receipt of financial resources and board approval of school location, but no later than the 2016-17 academic year; and
- Empowers CDLS to access the CDI line of credit to fund project fees associated with the school expansion and to conduct all due diligence—consistent with board policy and Indiana law—for a successful school expansion, including but not limited to confirmation of school financing details, state and local approval hearings, site acquisition and building development, and proactive community engagement.

BE IT FURTHER RESOLVED that Carpe Diem Indiana's opening of a second Indianapolis school in 2015-16 is predicated on the following conditions:

- 1) **ACADEMIC PERFORMANCE:** CDI Meridian must continue to meet the student academic performance targets on state assessments as delineated by the board's management agreement with CDLS;
- 2) **STUDENT ENROLLMENT:** Enrollment at CDI Meridian must be maintained at a level necessary to ensure the financial viability and sustainability of the school; and
- 3) **COMMUNITY SUPPORT:** CDLS—in coordination with CDI board members—must actively engage with local community members to secure expressions of support for both the site location and the learning opportunities to be offered by the new CDI school beginning in 2015-16.