

Appendix 4.1.a – Budget Narrative

Noble allocates over 90 percent of our funds to our teachers, classrooms and direct student needs in order to accomplish our goal of preparing low-income students with the scholarship, discipline and honor necessary to succeed in college and life. This budget is based on historical spending trends and adjusted where needed in order to make sure that we are sustainable as a Network.

All new campuses are expected to operate with a surplus by year four or five of operations. We use CPS Start-Up and Expansion funding to help each campus purchase high upfront costs need for classrooms such as furniture, sports equipment and educational materials. We hold off on purchasing items for new programs such as sports and music when funding is low or when we have to dedicate these resources to the classroom in order to make these campuses both financial and academically successful.

In order to support our expansion plans, we will need additional revenue to pay for capital expenditures so that we can build and/or renovate buildings to make them a safe and legally compliant space to accommodate all our students. Noble's goal is to fundraise about 75 percent of the cost to renovate private leased and CPS facilities and construct new buildings and cover the remaining 25 percent with short term loans, using 7 percent interest for 12 years.