C.4 START-UP BUDGET ASSUMPTIONS

This section will provide a viable and adequate budget to cover FES' expenses that will occur in the start-up process, before state equalization revenue is received. It will provide a list of assumptions coinciding with each line item expense listed on the start-up budget form.

Focus Education Services: Focus High ("FES") created its start-up budget based upon the following budget assumptions.

EXPLANATION OF REVENUE

$50,000.

The source of revenue for all start-up funds will come from a $50,000 start-up loan supported by the verifiable proof of secured funds documentation

If necessary, FES' has secured a secondary loan in the amount of $25,000 to be used in the event that start-up funds exceed start-up assumptions. This secondary loan is also supported in the verifiable proof of secured funds documentation.

EXPLANATION OF EXPENSES

FES Principals and Directors will ensure that the sum of all start-up expenses do not exceed start-up revenue. The timeframes for expenditures are consistent with the application package.

Administration, Instruction, and Support (AIS) Expenditures

No Salaries will be paid using start-up funds as no salaries will be paid prior to receiving state equalization funds (prior to August).

Acellus Curriculum, Canvas Courseware, and curriculum resource materials will be purchased and secured using $3,500 of available start-up funds in May 2016. Rate quote by Acellus Coordinator Marti Asay.

Aside from Acellus curriculum and resource materials, no other administration, instruction, or support expenses will be made prior to August.

Operations and Maintanence

Website - $2,000

A Focus High website will be created using $2,000 of available start-up funds. Domain www.focushigh.org and www.focushighschool.com have already been purchased. Assumes payment made in May, 2016 for site completed in March 2016. Assumptions based on Quote by Ally Web.

Marketing and Advertising - $3,510

Flyer Delivery – Jet Flyer will print and deliver 18,000 direct-to-door flyers in May and June at an estimated cost of $3,060.

Open House Refreshments – Open house and event refreshments will be offered on 3 separate occasions at an estimated cost of $450. Assumes open house events in May, June, and July (see C.2 Advertising and Promotion).

Building Lease - $8,000

Estimated lease expense for first and last month's rent is $8,000 (Quote from DeRito Partners)

Insurance - $1,000

Astoria Insurance has quoted an initial deductible of $1,000 for property/casualty and liability insurance.

Utilities - $900

Estimate from City of Phoenix as well as comparable rates from Excalibur

Phone/Internet - $250

Estimate from Century Link and Cox and comparable rates from Excalibur

Furniture and Equipment - $7,500

Estimate for 50 student and teacher desks from Tempe Wholesale and comparable rates from Excalibur. Additional office and classroom furniture and equipment is available via donation from Apollo Education Group (parent company of University of Phoenix and Western International University) through Sterling Kellis. Sterling secured 40 desks, 40 chairs, and 40 computer monitors and 5 couches and a lectern for a classroom at Excalibur Charter Schools through Apollo Education Group and has access to additional furniture and equipment donations for FES. However, in the event such donations are not readily available, FES may use the secondary loan ($25,000) listed in the explanation of revenue and supported in the verifiable proof of secured funds documentation to purchase necessary furniture and equipment

Chromebooks - $12,000

Cost for 60 11.6" Wi-Fi enabled Samsung Chromebooks on Amazon.com

Office Technology - $0

Routers, switches, LAN and WAN network, and server to be set up by Adobe Tech (IT service provider), while services will be installed by July 2016, expenses will be deferred until after August when contracted rates begin.

Loan

Start-up loan payments are deferred until August