Required Exhibits
• Start-Up Budget Form
• Start-Up Budget Assumptions

Required Exhibits (to be uploaded and saved into the Verifiable Proof of Secured Funds Field)
• Verifiable Proof of Secured Funds form for each source of revenue
• Documentation to support any agreement, donation, or loan that supports the budget.

START-UP REVENUE

- **Secured Funds - Founder Loan $25,000**:

Edward Denny, founder of Sierra Preparatory Academy, has personally loaned $25,000 toward start-up operations. Repayment of that loan is projected to start during Year 4 of school operations, until which period all accrued interest (5% APR) shall be capitalized. Such amount of start-up funds is considered sufficient to cover the start-up cash outlays of the new school, as described below.

A Verifiable Proof of Secured Funds is enclosed.

Administration, Instruction & Support (AIS) EXPENDITURES

- **SAIS Software**: $6,000

Sierra Preparatory Academy will purchase a SAIS Software from SchoolMaster for approximately $6,000 in February 2014. The early purchase will ensure that immediately after the anticipated approval and signing of the new charter, the student data is entered properly and made available to the designated school management personnel from start of operations during the start-up period (February 2014).

This expenditure covers the start-up and first year of operations, with an additional $500 in the Year 1 budget, should adjustments to the software program service are necessary.

Timeframe for acquisition – funds are already available.

Operations & Maintenance (O&M) EXPENDITURES

- **Marketing / Advertising**: $12,000

Sierra Preparatory Academy will carry out a structured marketing and advertising campaign with a start-up budget of $12,000 during the period Feb-June 2014. The targeted outcome is enrollment of 150 students during the start-up period and a waiting list of about 15-20 students. An additional $3,500 in the Year 1 budget allocation toward marketing and advertising will complement the funds and efforts from the Start-Up Period and into the first and last months of the fiscal year.

Some of the marketing and promotion activities will not have a monetary expression and requirement, such as: word of mouth advertising; collaborative marketing with realtors, business offices; joint initiatives and events with community organizations, etc. Other marketing activities will require cash outlays, which have been researched by the school founders together with a consultant, Education Team Partners, and proven to be adequate and viable, as the summary of compiled findings indicates below:

- Social media advertising (vendor services) - $1,000 set up and 4 months @ $350 per month;
- Website Development: $1,750 to set up + $750 to register with search engines;
- Design and print door hangers: $105 for initial expense; $275 for production and distribution per 1000;
- School flyers: $60 per 1000;

- School banners (from Sign-A-Rama) to be displayed on the school fence toward the busier traffic street - $1,500.
- Other school mailers: $2,068 for eight zip codes;
- School ads in Arizona Republic - rates are per column inch, per zone, per daily issue: $21 - one zone, $19 - two or more zones. Exact circulation TBD;
- School ads in East Valley Tribune – comparable rates to Arizona Republic.
- School brochures: color, double-sided or three-fold - $1 each.

The sources of information and quotes for the above marketing/advertising estimates are from Arizona Republic, East Valley Tribune, Three Dog Marketing, Sign-A-Rama, Education Team Partners, Vista Print, Alphagraphics, Kinko, School Cues and others.

Timeframe for acquisition – funds are already available.

- **Building Rent/Lease/Loan**: $4,000

Sierra Preparatory Academy projects to move in the primary target facility in Apache Junction in March 2014 and during the Start-Up Period use only a limited space of the building (the business office and a demo classroom) at a total cost of $1,000 per month for 4 months. Preliminary arrangement has been reached with Facility Development & Holdings, LLC (one of the prospective school facility investors) for such course of action.

Timeframe for acquisition – funds are already available.

- **Utilities (Electric, Gas, Water, Waste):** $480

The preliminary arrangement with the school facility investor / landlord stipulates that during the Start-up Period Sierra Preparatory Academy shall pay a flat amount of $120 per month for 4 months to cover all utilities, which at that time shall be in the name of the landlord (regardless of actual amounts of the utility bills). All utilities shall be transferred in the name of Sierra Preparatory Academy on July 1, 2014, when the school fiscal year begins and the school starts receiving state equalization funds.

Timeframe for acquisition – funds are already available.

- **Phone / Communications / Internet Connectivity:** $600

The preliminary arrangement with the school facility investor / landlord is that during the Start-up Period Sierra Preparatory Academy shall pay a flat amount of $150 per month for 4 months (regardless of actual amounts of the utility bills) to cover two phone landlines and a fast DSL Internet connection. During the Start-Up Period those communication services shall be in the name of the landlord. All communications shall be transferred in the name of Sierra Preparatory Academy on July 1, 2014, when the school fiscal year starts and the school receives state equalization funds.

Timeframe for acquisition – funds are already available.

- **Office Technology Equipment**: $1,800

The start-up set up of the Sierra Preparatory Academy business office will include a new desktop computer (where the SAIS software will be installed), paired with a laptop computer. Dell Computers provided a quote of $1,800 (educational pricing) for both computers and included a complementary desktop printer with that purchase.

Timeframe for acquisition – funds are already available.

Note: The projected Start-Up Budget Balance (surplus) in the amount of $120 will carry forward into the Year 1 budget of Sierra Preparatory Academy.