

provide evidence of such funding (e.g. MOU, letters) as Attachment Z. - See Attachment Z.

**D. Provide a detailed narrative description of the line-item revenue and expenditure assumptions on which the operating and start-up budget are based. The budget narrative should provide sufficient information to fully understand how budgetary figures were determined.**

**Startup Revenue Assumptions**

The budgets presented reflect the experience of the school’s founders and the financial team that planned the opening of Treasure Coast Classical Academy. The assumptions used are derived from knowledge of the school’s mission, familiarity with the planned structure, and experience with a similar school plan. The school will obtain financing to cover initial expenses as defined in Table 20.1.

**Table 20.1: Startup Line Item Revenue Assumptions**

	<b>Planning Year</b>	<b>Source</b>
Unsecured Loan	\$500,000	The Optima Foundation
CSP Grant	\$575,000	CSP Grant
Bond or Commercial Financing	\$16,650,000	Lender TBD

**Startup Budget Assumptions**

The following assumptions were used in developing the expense projections for planning year startup phase:

1. **Revenue:** \$500,000 unsecured loan from The Optima Foundation. This is planned to be an unsecured loan at 8 percent for five years. (Interest-only for three years).
2. **Revenue:** \$575,000 CSP grant is based on prior team experience in obtaining grants.
3. **Revenue:** \$16,650,000 bond is assumed from a commercial lender or bond underwriter, such as SunTrust or BB&T. This loan is assumed to have a term of 35 years and 7.5 percent interest based upon a review of numerous recently completed bond deals. The financing will be interest-only for the first two years, and will be used to purchase the land and build the school. It also includes \$544,702 funds for FF&E. This loan will be obtained in the first year of operation.

**Startup Expense Assumptions**

Startup expenses include part year salaries and benefits for the principal, school operations manager, business manager, and the registrar. Also included are expenses for the following:

**Table 20.2 Startup Expense Assumptions**

<b>Budget Line Item Name</b>	<b>Assumptions</b>	<b>Calculations</b>
Legal Services	Based on experience with JCA & TCCA	\$25,000 per year
Board Expenses	Based on experience with JCA & TCCA	\$500 per member travel for training.