C.5 THREE YEAR OPERATIONAL BUDGET

Create Academy's Three-Year Operational Budget begins August 1, 2015 and ends June 30, 2018.

Explanation of Student Enrollment Projections:

Student Count (at full enrollment):

- Assumes 200 students in Y1, 40 students in each of the following grade levels: K, 1, 2, 5, and 6.
- Assumes 290 students in Y2, 40 students in each of the following grade levels: K, 1, 2, 3, 5, 6; and 50 students in grade 7.
- Assumes 380 students in Y3, 40 students in each of the following grade levels: K, 1, 2, 3, 4, 5, 6; and 50 students each in grades 7 and 8.

Number of Students and % of Full Enrollment (Budget Based On):

- While Create Academy anticipates a successful initial enrollment of 40 students in grades K-6 and 50 students in grades 7-8 during the first three years, the budget assumes a conservative enrollment projection of 90% of the total enrollment capacity for each grade level. Consistent with current state funding formulas, the student count entered for kindergarten was also cut in half. With half funding for kindergarten and with using a 90% enrollment number, the adjusted student count is 162 in Y1, 243 in Y2, and 324 in Y3.

Explanation of Carryover:

CARRYOVER (Balance from Start-Up Budget in year 1 or previous year):

- Assumes $34,606.73 of carryover from the Start-Up Budget to Y1, $73,056.93to Y2, $8,260.53 to Y3, and $26,162.12 to Y4. This assumes 6% of revenue carryover from Y1 to Y2, 0.4% of revenue carryover in Y2 to Y3, and 1% of revenue carryover in Y3 to Y4. These figures do not take into consideration any fundraising, so these are the lowest possible amounts, as Create Academy plans to rigorously seek additional grants, in-kind gifts, and donations which will allow us to save additional funds.

Explanation of Revenues:

State Funding (Equalization Assistance):

- Total revenue amount was calculated using the provided Revenue Calculator. It assumes the per ADM funding amount and student weights provided in the revenue calculator as well as the student count figures explained above, including

90% enrollment for each of the first three years, with kindergarten enrollment divided in half.

- Although Create Academy anticipates that a percentage of students will qualify for special education and/or ELL services, the total revenue calculated conservatively assumes no Student Count Add-Ons for special education or English Language Learners, and therefore were not used.

Secured Funds – Private Donations:

- Create Academy has filed and been approved for 501(c)(3) status with the IRS, allowing for tax-exempt donations from private donors. While Create Academy fully intends to continue pursuing financial support from private donations, the budget assumes no dollars for private donations because at this time we do not have any additional guaranteed funding.

Secured Funds – Loans:

- The budget assumes Create Academy has not entered into any loan agreements, and does not intend to enter into any loan agreements during the first three years of operations.

Secured Funds – Other:

- Assumes $200,000 in Arizona Charter Schools Incentive Program (AZCSIP) start-up funds through an award granted by the Arizona Department of Education to Create Academy for Y1. Assumes Create Academy will actively seek additional grant funds to support instruction and school operations from other sources, including the Walton Family Foundation start-up grant.

Explanation of Administration, Instruction, & Support (AIS) Expenditures:

Director/Principal:

- Assumes an annual salary for the Director of Elementary Education. Based on an annual salary of $60,000 and an additional 10% in required employer contributions for the year. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3.

- Assumes an annual salary for the Director of Secondary Education. Based on an annual salary of $60,000 and an additional 10% in required employer contributions for the year. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3.

Teacher – Regular Education:

- Assumes an annual salary for ten teachers at $36,000 each for their time and effort during Y1 plus an additional 10% in required employer contributions. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3.

Teacher – Special Education:

- Assumes an annual salary based on $40,000 for one Special Education Director/Teacher for his or her time and effort during the school year plus an additional 10% in required employer contributions. Assumes two special education teachers in Y2 (one is a Director/Teacher), and three in Y3 (one is a Director/Teacher). Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3.

Clerical:

- Assumes an annual salary based on $30,000 for one office manager for his or her time and effort during the school year plus an additional 10% in required employer contributions. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3.

Bookkeeper/Finance:

- Assumes no cost for a bookkeeper/finance during the first three years due to Create Academy's plan to contract with ASPIRE Business Consultants, Inc. as its outside business consultants as well as a new hire of a Director of Operations in Y2 who will take over some of these processes over time.

Custodial/Maintenance:

- Assumes no cost for a custodial/maintenance salary during the first three years as Create Academy plans to contract with a custodial/maintenance company. Allocation explanation for these services can be found under Contracted Services (O&M) below.

Other – Studio Arts Teachers:

- Assumes two half-time studio arts teachers based on an annual salary of $18,000 each plus an additional 10% in required contributions in Y1. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3. In addition, assumes three half-time studio arts teachers in Y2 and four in Y3.

Other – Spanish Teacher:

Assumes one half-time Spanish teacher based on an annual salary of $18,000 plus an additional 10% in required contributions in Y1. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y2 and again in Y3.

Other – Director of Operations:

- Assumes roles will be split between school directors in Y1 as outlined in Section B.3 of this application. New position hired in Y2 with an annual salary based of $45,000 plus an additional 10% in required contributions. Assumes performance goals are met, and annual salary increases based on 3% of base salary in Y3.

Employee Benefits:

- Assumes the maximum 3% match to an employer-contributed 403(b) retirement plan based on each full-time staff member's annual base salary in the first three years. Assumes there is no additional employer cost for the 403(b) retirement plan based on a phone conversation with Philip Kim of AXA Advisors, LLC.

Employee Insurance:

- Assumes employer-paid employee medical insurance coverage for full-time staff at a rate of $250/month. Quotes are based on communication with Holmes Murphy Insurance and The Arizona Group.

Office Supplies:

- Assumes $40/student based on a quote from Office Max. Assumes Y1 supplies were purchased using start-up funds as referenced in Section C.4. Assumes purchases will be made each year in advance using the funds from the previous year. Assumes $11,600 based on 290 students in Y2, $15,200 based on 380 students in Y3, and $17,200 based on 430 students in Y4. Assumes office supplies for each classroom in addition to miscellaneous paper and pencil purchases throughout each year.

Instructional Consumables:

- Assumes $5,800 for instructional consumables to be purchased in Y1 for use in Y2 at an approximate rate of $20/student. Assumes this same rate will continue for Y3 and Y4. Arizona School for the Arts spends approximately $43/student for instructional consumables and curriculum and resource materials combined. To budget a similar amount due to our similar instructional offerings, Create Academy has allocated $20/student for instructional consumables and $30/student for curriculum and resource materials.

- Assumes that the instructional consumable budget will be proportionally shared between classrooms, arts studios, and special education based on the number of students each instructional entity serves.

Membership Dues, Registrations, & Travel:

- Assumes fees to become members of the Arizona Charter Schools Association at a rate of $3.50/student each of the first three years. Assumes $700 in Y1; $1,015 in Y2; and $1,330 in Y3.
- Assumes $500 per FTE staff member (prorated for half-time staff members), for use toward Create Academy professional development in-service, including guest speakers, trainers, and other service fees as determined by school directors. Assumes 12 full-time employees in Y1 (not including school directors); 18 in Y2; and 23 in Y3. Assumes 3 half-time employees in Y1; 4 in Y2; and 5 in Y3. Assumes $6,750 in Y1; $10,000 in Y2; and $12,250 in Y3.
- Assumes $300 for each FTE staff member (prorated for half-time staff members), for use toward Create Academy-related professional development. Staff members can apply to the school directors to use these funds for attending conferences, trainings, or membership dues to professional educational or arts organizations. Assumes 12 full-time employees in Y1 (not including school directors); 18 in Y2; and 23 in Y3. Assumes 3 half-time employees in Y1; 4 in Y2; and 5 in Y3. Assumes $4,050 in Y1; $6,000 in Y2; and $7,650 in Y3.
- Assumes $3,000 for professional development travel and conference registrations for two school directors for continuing education and leadership development each year.

Contracted Services: AIS:

- Assumes stipends of $2,500 each for three teachers to write and update curriculum and assessments as part of the curriculum committee in June 2016 in preparation for Y2, June 2017 in preparation for Y3, and June 2018 in preparation for Y4. This stipend is in addition to their annual salaries.
- Assumes Create Academy will contract with substitute teachers to cover classrooms in the event that coverage is not possible from within the existing school staff. Assumes that teachers will use an average of 50% of their allotted days off each year (10 days/FTE), and of that amount, 50% of those days will be able to be covered by existing school staff. That assumes a remainder of 25% of the total allotted days off for eligible staff members that would need classroom coverage from a substitute teacher. Assumes a daily substitute teacher pay rate of $75.
    - Assumes in Y1 a total of 15.5 FTE, which assumes 39 days need coverage. At a rate of $75/day, this assumes $2,925 for substitute teachers.
    - Assumes in Y2 a total of 20 FTE, which assumes 50 days need coverage. At a rate of $75/day, this assumes $3,750 for substitute teachers.
    - Assumes in Y3 a total of 25.5 FTE, which assumes 63 days need coverage. At a rate of $75/day, this assumes $4,725 for substitute teachers.

Contracted Services: Special Education:

- Assumes contracted services in addition to a full-time staff member for Y1, two full-time staff members in Y2, and three full-time staff members in Y3.
- Assumes the following rates according to Figure C.5.1 below for each of type of special education service provided: Psychological Evaluations and Consulting, Speech and Language Pathology, Physical Therapy, and Occupational Therapy. Dandrine Strachan, a licensed independent child psychologist and Ridge Zeller Therapies provided price quotes, and the number of students served by each service was obtained by surveying local charter school start-ups with similar population demographics.

Figure C.5.1 Breakdown of Budget for Special Education Services Provided

Special Education Services Provided	**Y1**	**Y2**	**Y3**
Psychological Evaluations and Consulting	$7,200 (12% of 200)[1]	$10,500 (12% of 290)	$13,800 (12% of 380)
Speech and Language Pathology	$8,640 (12% of 200)	$12,960 (10% of 290)	$8,640 (4% of 380)
Physical Therapy	$8,100 (6% of 200)	$10,800 (8% of 290)	$16,875 (10% of 380)
Occupational Therapy	$10,368 (4% of 200)	$18,792 (5% of 290)	$29,548 (6% of 380)
TOTAL:	**$34,308**	**$53,052**	**$68,863**

Curriculum & Resource Materials:

- Assumes that primarily, the curriculum will be created by the staff of Create Academy, and assumes Create Academy will purchase limited or no "off the shelf" curriculum resources.
- Assumes $8,700 for curriculum and resource materials to be purchased in Y1 for use in Y2 at an approximate rate of $30/student. Assumes this same rate will continue for Y3 and Y4. Arizona School for the Arts spends approximately $43/student for instructional consumables and curriculum and resource materials combined. To budget a similar amount due to our similar instructional offerings, Create Academy has allocated $30/student for curriculum and resource materials and $20/student for instructional consumables.
- Assumes that the curriculum and resource materials budget will be proportionally shared between classrooms, arts studios, and special education based on the number of students each instructional entity serves.

[1] The parentheticals contain the estimated percentage of students who will likely be served by each service out of the total number of students at Create Academy each year.

Library Resources/Software:

- Assumes Library Resources/Software for Y1 will be purchased during the start-up phase, and any purchases made in Y1 will be purchased for use in Y2.
- Assumes a standard resource provision of $300 for each grade level and three studio arts subjects will be provided for Y2, but purchased with Y1 funds.
- Assumes a standard resource provision of $384 for each grade level and four studio arts subjects will be provided for Y3, but purchased with Y2 funds.
- Assumes a standard resource provision of $400 for each grade level (K-8) and five studio arts subjects will be provided for Y4, but purchased with Y3 funds. Also assumes a $1,400 stipend for 9th grade staff to purchase library resources/software for specific curricular content areas.
- Assumes that the above resources will primarily be sourced from used bookstores, Goodwill, and other discount suppliers to maximize funds.
- Assumes purchase of ATI-Galileo software at a rate of $8/student for all grade levels each year for student assessment purposes, totaling $1,600 in Y1; $2,320 in Y2; and $3,040 in Y3.
- Assumes purchase of DIBELS assessment materials and online reports at a rate of $2/student in grades K-3, totaling $240 in Y1; $320 in Y2; and $320 in Y3.

SAIS Software:

- Assumes a SAIS software cost of $25/student, as quoted by School Dex, in years one through three.

Auditor Fees:

- Assumes a conservative estimate of auditor fees for the first three years based on a quote from Brett Backlund, CPA, who works with Aspire Business Consultants and who comes recommended by other charter start-up schools.

Other:

- Assumes no additional expenses for administration, instruction, and support for Create Academy in years one through three.

Explanation of Operations & Maintenance (O&M) Expenditures:

Supplies:

- Assumes $2,000 for supplies in Y1, and an additional $1,000 in Y2 and again in Y3. These supplies will include miscellaneous cleaning, office, and classroom supplies.

Marketing/Advertising:

- Assumes $6,500 for marketing and advertisement expenses for both teachers and students during Y1, Y2, and Y3 in preparation for Y2, Y3, and Y4. This total assumes $1,000 for online teacher job postings; $4,000 for printed materials, including fliers, brochures and print ads, and radio ads for student recruitment; $500 for miscellaneous marketing supplies; $500 for student recruitment events; and $500 for teacher recruitment events. Assumes a static amount since the number of students and the number of teachers need to be recruited at a similar rate for Y2-Y4.

Contracted Services: (O&M):

- Assumes custodial services for 192 days during the year, which accounts for all school days during the academic year, and one cleaning per week during the summer months when limited staff members are in the building. Assumes Y1 is based on a rate of $60/day, Y2 is based on $84/day, and Y3 is based on $108/day. The increase in rate corresponds to the increase in the number of students each year, and is based on a quote Create Academy received from Rob Burgmann, who has contracted with other recent charter school start-ups.

Y1

- Assumes a total of $17,200 for financial business consulting services as quoted by ASPIRE Business Consultants at a contracted annual rate for full service.
- Assumes a total of $1,846.80 for payroll fees as quoted by ASPIRE Business Consultants on behalf of Payroll Control Services, which accounts for processing 24 payrolls at a rate of $51.95/payroll, and an additional $600/year flat fee.
- Assumes a total of $5,000 for legal consulting and contract review services through Carter Law Group. Assumes the bulk of Create Academy's legal advice will be provided pro-bono from counsel that will serve on the school board, but in the interest of taking preventative action, a yearly amount for legal fees has been budgeted.

Y2

- Assumes a 25% reduction of services needed from ASPIRE Business Consultants at a rate of $12,900 from Y1 upon the hire of the Director of Operations, as the person in that role will begin taking over some of the responsibilities that ASPIRE had done for Y1.
- Assumes a total of $2,182.80 for payroll fees as quoted by ASPIRE Business Consultants on behalf of Payroll Control Services, which accounts for processing 24 payrolls at a rate of $65.95/payroll, and an additional $600/year flat fee.
- Assumes a total of $6,000 for legal consulting and contract review services through Carter Law Group, slightly increasing due to the increased student and teacher population. Assumes the bulk of Create Academy's legal advice will be provided pro-bono from counsel that will serve on the school board, but in the interest of taking preventative action, a yearly amount for legal fees has been budgeted.

Y3

- Assumes a 50% reduction of services needed from ASPIRE Business Consultants at a rate of $8,600 from Y1 as the Director of Operations continues to take over some of the responsibilities that ASPIRE had done for Y1 and Y2.
- Assumes a total of $2,470.80 for payroll fees as quoted by ASPIRE Business Consultants on behalf of Payroll Control Services, which accounts for processing 24 payrolls at a rate of $77.95/payroll, and an additional $600/year flat fee.
- Assumes a total of $7,000 for legal consulting and contract review services through Carter Law Group, slightly increasing due to the increased student and teacher population. Assumes the bulk of Create Academy's legal advice will be provided pro-bono from counsel that will serve on the school board, but in the interest of taking preventative action, a yearly amount for legal fees has been budgeted.

Building Rent/Lease/Loan:

- Assumes 60 square feet/student, based on a recommendation from InSite Charter School Services, a real estate broker who brokered a facility for Vista College Preparatory and has experience with project-based school facilities.
- Assumes rent at a rate of $12/square foot, a higher than average quoted price of the three viable sample properties as described in C.1 Facilities Acquisition. One property was listed at $6/square foot, another property was listed at $9/square foot, and the final property was listed at $12/square foot. The total amounts for rent each year is based on 12,000 square feet in Y1, 17,400 square feet in Y2, and 22,800 square feet in Y3.

Building & Improvements:

- Assumes up to $40,000 for tenant building improvements in Y1, reducing to $20,000 in both Y2 and Y3 to account for more minor building improvements. This assumes that the majority of the improvements would happen in Y1, with lesser improvements occurring in Y2 and Y3.
- Assumes a percentage of the building improvements would be paid by the landlord or absorbed into the cost of the lease based on conversations with other charter start-ups.

Land & Improvements:

- Assumes up to $10,000 for tenant building improvements in Y1, reducing to $5,000 in both Y2 and Y3 to account for more minor building improvements. This assumes that the majority of the improvements would happen in Y1, with lesser improvements occurring in Y2 and Y3.
- Assumes a percentage of the building improvements would be paid by the landlord or absorbed into the cost of the lease based on conversations with other charter start-ups.

Fees/Permits:

- Assumes $1,000 for fees and permits that may be necessary to annually renew, based on estimates from other charter school start-ups in the Phoenix area.

Property/Casualty Insurance:

- Assumes a total of $1,200 for renter's insurance for all three years based on a quote by The Arizona Group.

Liability Insurance:

- Assumes liability insurance based on the size of Create Academy's student population growing over the course of the first three years. Rates are based on a quote provided by The Arizona Group, which provides liability insurance packages that include directors and operators insurance and worker's compensation insurance.

Utilities:

- Assumes utilities at a rate of $1.50/square feet for all years as determined by similar cost estimations from recent charter school start-ups. Assumes a 19,000 square foot facility, larger than two of our sample facilities, and both have the ability to expand in future years. The third facility has the ability to be broken into smaller spaces to lease increasing portions over the years. Assumes 21,000 square feet in Y2, and 23,000 in Y3. All figures are above the size needs for the projected student population each year, which indicates that these numbers are conservative.

Phone/Communications/Internet Connectivity:

- Assumes upfront technical set-up fees of $13,600 as quoted by Dave Dillman, an independent contractor, software engineer, and technical support specialist, for Y1 for setup and maintenance costs to maintain Internet connectivity. Specifically, assumes setup of CIPA filter, wireless network, including Wireless Access Points, routers, and modem at a cost of $1,800 per classroom x 7 classrooms = $12,600 total. Assumes an additional 20 hours of support as needed to troubleshoot problems during the school year = 20 hours x $50 per hour = $1,000. Assumes that 90% will be reimbursed by E-rate funds.
- Also accounts for lower amounts in Y2 and Y3 as the setup charges will no longer be necessary in those and future years. Accounts for adjustments in bandwidth needed over the course of the first three years of operation.
- For Y2, Assumes regular maintenance of filter and wireless network, addition of 80 student computers for 20 hours per school year at $50 an hour = $1,000, as

well as two additional classrooms at a cost of $1,800 per classroom = $3,600 = $1,000 + $3,600 = $4,600.

- For Y3: Assumes regular maintenance of filter and wireless network, addition of 80 student computers for 20 hours per school year at $50 an hour = $1,000, as well as two additional classrooms at a cost of $1,800 per classroom = $3,600 = $1,000 + $3,600 = $4,600.
- Assumes two phone lines, a fax line, and wireless Internet at an annual rate of $3,600 through Cox Communications for Y1 as quoted by Dave Dillman as well as consulting other start-up charter schools. Assumes $4,800 in Y2, and $6,000 to account for increased capacity due to additional devices used as enrollment increases. Assumes that teachers will use their personal cell phones for any emergency communication during the school day.

Transportation:

- Assumes a shared cost with other local charter schools for school bus transportation, maintenance, insurance, and driver for morning pick-up and afternoon drop-off. The Arizona Charter Schools Association has begun conversations with Julia Meyerson, Executive Director of Vista College Prep, and other local charter school leaders to determine sustainable and viable transportation solutions, like bus sharing, that will benefit students in need of transportation, while also accounting for the strict financial realities of charter schools.
- Assumes that in Y2 and Y3 Create Academy will strategically lead the organization of parent carpools to meet the needs of students with transportation needs. This model has been used in other start-up charter schools, such as CASA Academy in Phoenix, and Doral Academy in Las Vegas.

Food Service:

- Assumes Create Academy students will qualify for reimbursed student breakfast and lunch from the National School Lunch Program (NSLP) and will therefore not incur any expenses from the school budget. Assumes student who do not qualify for the NSLP will pay their individual breakfast and lunch costs.
- Assumes contracting with L&M Catering, a service used and recommended by several start-up charters, including Vista College Prep, Empower College Prep, and CASA Academy. Assumes L&M Catering would provide any appliances or food service expenses based on a conversation with the owner, Leno Medina, and substantiated by the experiences of Empower College Prep, CASA Academy, and SySTEM Phoenix.

Student Furniture & Equipment:

- Assumes student furniture for Y2, Y3, and Y4 will be paid with Y1, Y2, and Y3 allocations, respectively. This increase accounts for tables and chairs for an additional 80 chairs and 14 tables each year.

Office Furniture & Equipment:

- Assumes a $1,100 furniture and equipment allocation in Y1 to pay for additional staff furniture in Y2, including a Director of Operations ($200), four classroom teachers ($600), a special education teacher ($150) and a studio arts teacher ($150).
- Assumes a $900 furniture and equipment allocation in Y2 to pay for additional staff furniture in Y3, including four classroom teachers ($600), a special education teacher ($150) and a studio arts teacher ($150).
- Assumes a $900 furniture and equipment allocation in Y3 to pay for additional staff furniture in Y4, including four classroom teachers ($600), a special education teacher ($150) and a studio arts teacher ($150).
- Assumes purchases at discount suppliers and used stores such as Treasures for Teachers, Goodwill, and ASU Surplus as well as donated furniture as recent charter start-up schools have secured.

Student Technology Equipment:

- Assumes purchasing 40 Google Chromebooks to be shared by all grades in Y1, an additional 40 in Y2, and an additional 40 in Y3 totaling $12,000 each year at an average cost of $300/Chromebook based on prices listed on google.com.
- Assumes purchasing tablet technology for 40 students, to be shared by all grades in Y1, again in Y2, and again in Y3. Assumes $10,360 each year at an average cost of $259/tablet based on prices listed at google.com.
- Assumes $1600 for two charging carts at a rate of $685 (and $115 shipping) in each year. Assumes two carts in Y1, a total of four carts in Y2, and a total of 6 carts in Y3. Each cart holds up to 42 Chromebooks or tablets based on a quote from Schoolsin.
- Assumes any funds raised through in-kind donations, individual giving, and technology grants will help offset the above costs as well as purchase enough equipment for every student to have access to either a tablet or a laptop.

Office Technology Equipment:

Y1

- Assumes $2,800 for school laptops for each of the seven additional staff members to be paid with Y1 funds for Y2 at a cost of $400/laptop.
- Assumes $2,000 for two laptops for the School Directors to be paid with Y1 funds for Y2.

- Assumes $2,000 for software licensing.
- Assumes $1,000 for five projectors at $200/projector used (for the two additional classrooms, one for the special education department, the additional studio arts classroom, and to provide a projector for the previous studio arts classroom that was sharing one for Y1), purchased used at a discount store such as ebay.com or ASU Surplus for Y2 with Y1 funds.

Y2

- Assumes $2,400 for school laptops for each of the six additional staff members to be paid with Y2 funds for Y3 at a cost of $400/laptop.
- Assumes $2,800 for software licensing.
- Assumes $800 for four projectors at $200/projector used (for the two additional classrooms, a second projector for the special education department, and one for the additional studio arts classroom), purchased used at a discount store such as ebay.com or ASU Surplus for Y3 with Y2 funds.

Y3

- Assumes $1,600 for school laptops for each of the four additional teachers to be paid with Y3 funds for Y4 at a cost of $400/laptop.
- Assumes $3,600 for software licensing.
- Assumes $800 for four projectors at $200/projector used (for each of the additional teachers), purchased used at a discount store such as ebay.com or ASU Surplus for Y4 with Y3 funds.

Other Leases (Security, Copiers, etc.):

- Assumes two large black and white copiers, which also scan and fax, at $700/month for 80,000 copies per month x 11 months in Y1 = $7,700
- Assumes two large black and white copiers, which also scan and fax, at $800/month for 100,000 copies per month x 11 months in Y2 = $8,800
- Assumes two large black and white copiers, which also scan and fax, at $900/month for 120,000 copies per month x 11 months in Y3 = $9,900

Loan Repayment:

- Assumes that Create Academy will not incur any loans during the first three years, and therefore, will not need to account for loan repayment.

Other:

- Assumes no additional expenses for maintenance and operations for Create Academy's first three operational years.