

**Business Plan**  
for  
**SONSHINE CHRISTIAN KINDER-PREP SCHOOL**  
(Old Harbour, Jamaica)



a project of:

**HERKO FAMILY MISSION**

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## SONSHINE CHRISTIAN KINDER-PREP Business Plan

### Executive Summary

It is the intent of the Herko Family Mission in collaboration with Christian Benevolence Outreach International (CBOI) and the Church of Christ in Old Harbour to establish a Pre-School in the city of Old Harbour, St. Catherine Parish, Jamaica. This school will be equipped with modern equipment and facilities in order to give the best possible education to children ages 3-5 years of age in the community.

The objectives for the establishment of a Pre-School are to: (1) Provide quality Christ-centered educational opportunities for 3-5 year old children in the Old Harbour community, (2) Use the school as a tool for witnessing to families and bringing them into a relationship with Jesus Christ, (3) Help the Church of Christ in Old Harbour grow numerically and financially in order to become totally self-supporting.

The Herko Family Mission seeks to accomplish these objectives by establishing a school that will be located on the property of the Church of Christ in Old Harbour. The plan is to construct a school building on the site and offer a full academic program to children between the ages of 3-5 years in modern facilities. The building for the school is presently under construction.

Funding for the school's operation will be made possible through fees charged to the parents of children attending the school, a child sponsorship program for low-income children, and through selected fundraising events.

There are several reasons why there is a great need for this school:

(1) Population growth in the Old Harbour area has been at the phenomenal rate of approximately 32.3 percent per annum, approximately 23 times higher than the national average. This, because the area has been the recipient of high rates of internal migration from surrounding towns and parishes, directly attributable to the construction of new middle income housing developments and the completion of a highway connecting the major metropolises of Kingston, Spanish Town, May Pen and Mandeville which have facilitated greater access.

(2) Since 2012, facing an increased debt burden and additional budgetary constraints, the Jamaican Government was forced to reduce funding to the Education sector. This translated to a cumulative reduction of 3.5 percent in allocations from the 2012-2013 National Fiscal Budgets to the Early Childhood and Elementary or Primary level subsectors. Education analysts fear that these cuts will lead to further deterioration in the quality of education offered in public schools. As a result of these cuts, an expansion can be expected in the need for private education. The reason being, that as more parents experience the reduction in the quality of the public system, they will turn to the private education as an alternative.

(3) Even though there are 46 private and public schools in the Old Harbour area that offer early childhood educational services, nearly 50 percent of all children ages 3-5 are unable to attend pre-school. Primarily, this is due to the lack of affordable, quality educational institutions. This has resulted in many children at this stage being kept at home until the 1st grade with grandparents, older siblings or unemployed relatives. As

such, many children do not receive the type of early professional education required to improve success rates when they enter the public school educational system.

CBOI projects that with a motivated staff supported by responsible fiscal management, the school will be able to return positive cash flows in the first year of operation, generating a cash surplus of approximately \$2,200 US in its first year of operation. This surplus will be used to help working capital requirements in the subsequent operational years. It is anticipated that by 2020 the operation will be self-sustaining and future surpluses generated from the operation can be used to help fund other mission objectives of the CBOI.

### **Business Description**

The SonShine Christian Kinder-Prep will be established as an independent division of the Christian Benevolent Outreach International (CBOI), a non-profit, benevolent organization whose mission it is, to assist churches, schools and orphanages in Jamaica. CBOI was incorporated in 1993 under the provisions of the Companies' Act of Jamaica, as a limited liability company, Limited by Guarantee, and in 1994, was approved under the provisions of the Income Tax Act, as a charitable organization.

Since its inception, CBOI has been engaged in charitable and benevolent activities in Jamaica. It is guided in its mission by a Board of Directors, chaired by founding Director, Mr. Dennis Herko, a Christian missionary based in Lexington Kentucky, USA. Mr. Herko also functions as the Executive Director. CBOI, working through the Herko Family Mission, a USA based missionary organization, secured funding and acquired property at Old Harbour in St. Catherine's Parish. CBOI has successfully constructed a church sanctuary at the site. The facility, which is capable of seating 700 persons, has an office as well as living facilities to accommodate moderately sized work teams. The sanctuary is home to the Church of Christ at Old Harbour and its Minister is a full time member of the staff of CBOI.

### Product/Service

The SonShine Christian Kinder-Prep will operate as an early childhood institution (pre-school) providing quality education to children ages 3-5. This initiative holds the potential to facilitate growth of the Church of Christ in Old Harbour, but above all else, provides a unique opportunity to impart Christian values to the children of the community.

The school will adopt the ABEKA Curriculum as the core academic program with modifications to incorporate the minimum requirements of the Ministry of Education. ABEKA is the program of choice, as it is an internationally accredited, quality tested curriculum and is most closely aligned to the core mission of CBOI to deliver a Christian-centric educational experience.

### Location

The school will be located in the city of Old Harbour which is a semi-rural district located approximately twenty-five miles to the south west of the island's capital, Kingston. The property where the school will be located is situated approximately two miles to the south-east of the town center, and is adjacent to a main access road which serves the communities of Old Harbour Glades, Charlemont and Marlie Acres. The surrounding residential communities can be generally classified as being low to low-medium income and are occupied mainly by working class families. A primary (elementary) school is located across the street from the church/school property.

## Jamaica's Formal Education System

Jamaica's educational system is a close derivative of the former British colonial system. It is divided into four broad academic levels and the school year which normally runs from September to June each year, is divided into three terms, namely; the Christmas term (September to December), the Easter term (January to March) and the Summer term (April to June).

The broad academic levels are as follows;

1. **Early Childhood** which caters for the nursery and preschool years, and covers children from 0 - 5 years of age, the
2. **Primary/Elementary level** which covers ages 6 - 12 years of age, or grades 1 - 6. The,
3. **Secondary or High School level** which covers ages 11 - 19, or grades 7 -13. And finally, the
4. **Tertiary level** which cover all programs beyond the high school level.

All levels of the public educational system are regulated by the Government of Jamaica through the Ministry of Education, which is the government department charged with the responsibility to develop and assure academic standards. Agencies established to assist the Ministry in its mission are the Early Childhood Commission which monitors and regulates all early childhood education and the University Council of Jamaica which monitors and regulates tertiary level institutions.

Standards are monitored through a combination of school visits, curriculum and institutional operations reviews, as well as through standardized tests and assessments administered at key stages and developmental junctures.

## **Marketing Plan**

### Market Analysis

In the Old Harbour area, the rate of population growth indicates that there should be super-normal demand for supporting social services such as a Christian-based school catering to children at the developmental stages.

Recent data from the Ministry of Educations indicate that students enrolled in schools (public and private) in the Old Harbour area, have consistently performed below the national average GSAT assessments. This points to broad underlying defects in the academic product available in the area, and possibly accounts for a general lack of confidence by parents in the areas' school network, which has been evidenced by the low enrollment rate in private institutions.

As at October 2012, 95.5 percent of all students enrolled nationally in early childhood education have been through private ECIs, but in Old Harbour, that percentage falls dramatically to 19.6 percent. Further, it is estimated that in the Old Harbour area, more than 50 percent of households with children of pre-school age, currently do not attend a formal school and are in some format being taught at home by their care-givers.

### Economic and Demographic Analysis

The economy of Jamaica has suffered from the effects of the worldwide economic downturn through lower export demand, falling commodity prices, slowing in tourism and related economic activities. The economy contracted by an estimated 0.6 percent and the unemployment rate rose from 9.9 percent to a high of 16.5 percent.

The pace of recovery in the global economy and in particular, that of the USA, which is Jamaica's major trading partner, has had a profound effect on the performance of the Jamaican economy. Between 2008 and 2012 the economy again performed sluggishly and failed to respond to multiple economic stimulus programs, and at the present time continues to suffer from the effects of the world recession. The current unemployment rate is 13.3 percent.

Despite the economic challenges, since 2009 population growth in the Old Harbour area has been at a rate of approximately 32.3 percent, significantly higher than anywhere else in the country. The main contributor to this phenomenon has been the internal migration of young people to the area from surrounding parishes and towns, as a result of an expansion in the stock of affordable middle income housing available in the area.

Due to the availability of relatively lower priced properties in the Old Harbour area, developers have targeted the middle income earners and young professionals in the major metropolises of Kingston, St. Catherine, Clarendon and Manchester in their marketing plans. This has directly impacted population growth, as current population estimates are for it to grow from approximately 75,000 to 167,000 by 2030. The Developers' marketing program has therefore been successful, and has to date attracted mainly young professionals in the age range (30-45) likely to start new families, or are presently parents of young children in the target age range of the CBOI project.

Currently there are several approved developmental plans for the area, the largest being for the further construction of 3,500 middle income homes in the New Harbour Housing project by 2017. This development is located less than 4 miles from the CBOI site and is one of the target areas for potential students. When completed, a further 14,000 new residents are expected to be living within the area of the school.

### Competition

In the area where CBOI is contemplating the school, it is estimated that there are some 6,700 students registered at the primary and early childhood levels in both public and private institutions. These registrations partially cover approximately 46 private and public early childhood institutions within an 8 mile radius of the school property, and most are affiliated to local religious groups and church congregations. It is estimated that collectively, there are approximately 1,100 fee paying students registered in institutions charging tuition rates ranging from a low of \$130 US annually to a high of \$678 US annually.

Given their proximity and the prices charged, three institutions pose the greatest competition to the proposed school. They are namely, the Old Harbour Early Childhood Institute located at Marlie Acres, Old Harbour Preparatory situated at the Charlemont Housing Development and Creative Arts Preparatory located at South Drive, Old Harbour.

Their relative strengths and weaknesses are outlined in the table below:

Competition	Price	Strength	Weakness
Old Harbour EC Institute	\$130.43	Price	Poor Facilities, Curriculum (Public)
Old Harbour Preparatory	\$391.30	Price & Facility	Curriculum
Creative Arts Preparatory	\$573.91	Price	Poor Facilities, Curriculum

Summaries of student enrollment in primary and early childhood level institutions in the Old Harbour area are provided below in the tables below:

Institution Type	# of Insts. Enrollment		Highest Fee	Lowest Fee
Public	5	5,617	\$130	-
Private	41	1,103	\$678	\$391
<b>Total</b>	<b>46</b>	<b>6,720</b>		

To be successful therefore, CBOI must be competitive with the available rates, while simultaneously offering a superior product, including but not limited to an enhanced and creative curriculum and modern facilities for student activity.

CBOI’s competitive advantage is quality and the ability to provide parents with spacious modern facilities and thus the feeling that their children are being provided a healthy, holistic environment which is fun and contemporary.

CBOI must establish this reputation through a creative academic program, exceptional customer service and selective marketing which would include publishing highlights of the school’s performance on the annual student assessments.

Marketing Strategy

To secure students for the school, SKCP will target parent groups in the 30-45 age group with adequate means to fund their children’s education privately. This strategy will be crucial to the long term viability of the school.

Areas to be targeted are those residential communities within a 5 mile radius of the school matching our target economic profile. These include the New Harbour Housing Development Phases 1 and 2, the Rhone Housing Development, as well as sections of the Marlie Mount Housing and Charlemont housing development, and the Aviary Housing Development.

CBOI will avoid the registration of nursery aged children (2 years old and under), and will instead target children in the 3 - 5 year age group. This age group requires less per capita resources (financial, personnel, and other resources) than nursery aged children, and thus as a strategy, improves the chances for financial success for the school’s operation in the near to medium term.

To tap into the market for parents in the 30-45 age group, those with adequate income to fund their children’s education, as well as home-schooled children, SCKP must offer to

parents, convenience, quality innovative instruction, and superior facilities at a reasonable cost. As such, the critical success factors depend on several objectives being met, namely;

1. The development, adoption and implementation of an acceptable and superior curriculum at the school.
2. Installation of modern, state of the art facilities which utilize technology as a driver for success.
3. Assurance of a safe environment for children attending the school, particularly given the location of the school, and ,
4. Retention of better qualified and trained instructors, capable of delivering the enhanced curriculum, while simultaneously displaying the Christian values of the sponsor organization.
5. The appropriate pricing for the services being offered, which will be both affordable to parents as value added, and simultaneously allow CBOI to deliver the program objectives.

SCKP will adopt the ABEKA Curriculum as the core academic program with modifications to adapt the program to incorporate the minimum requirements of the Ministry of Education. ABEKA is the program of choice, as it is an internationally recognized, quality tested curriculum and is most closely aligned to our core mission to deliver a Christ-centered educational experience to students.

ABEKA is currently widely in use across Jamaica, and has been successfully implemented at several high performance private Christian based schools in Kingston. Its general acceptance by parents will therefore be reasonably assured, and adaptation by SCKP would help satisfy the objective to infuse a quality academic product into the program.

Also, SCKP will include an information technology program to teach basic computer skills and assist teachers in their classroom instruction. Additionally, we will offer as part of our after-school program electives in basic foreign language training, drama, and art.

SCKP will also maintain a Web site which will initially provide only event schedules, announcements, location and hours of operation. As the school grows, the Web site will be upgraded to include staff and faculty profiles, online applications and forms, online fee payments as well as tips and information for parents. Finally, SCKP will offer spacious and superior outdoor facilities for play time and for facilitating motor skill developmental activities. This will include basketball, soccer, netball and track and field.

The school will operate with a focus on superior customer service, supported by an emphasis on communications and involvement of parents. Parents will be kept informed by regular email/website updates and encouraged to become involved in the various school activities.

By providing superior customer service, high-quality Christ-centered education, and modern and up-to-date facilities, we believe that SCKP will benefit from referrals from parents, who will become our best form of advertisement.

### Fee Pricing

SCKP will set the tuition costs using cost-plus pricing. The base cost will be the budgeted cost of delivering the service and the markup component will be the surplus CBOI will make on the budgeted service. We will assume in year one a 5 percent margin on all services and a 50 percent on all goods sold, such as food items, etc. Because CBOI will be selling to a

target clientele with low to moderate disposable income, efforts will be made to minimize the surplus made.

The school will also follow a pricing strategy where it will set a relatively high price at the onset of the service, and then seek to either maintain or slightly increase the price over time in order to keep pace with inflation. By maintaining an early premium on the service, SKCP will be able to retain better trained staff than the competitors and offer more modern, state of the art services and facilities.

It is our intention to also offer discounts to parents who are members of the Old Harbour church and maintain regular attendance at church services. We will also provide discounts to parents who pay their fees prior to the beginning of each school term.

For those parents of children in the lower to lower middle income category, we will use our Child Sponsorship program, which is managed and operated by the Church of Christ in Old Harbour (in Jamaica) and the Herko Family Mission (in the US), to help them cover the costs of the tuition. The amount of each scholarship will vary based upon the income level of the parents.

### Marketing Plan

The initial outline of the marketing plan is summarized below;

<b>Marketing Activity</b>	<b>Lead Time Required</b>	<b>Start Prior to Opening</b>
Direct community advertising via flyers and hand-outs	6 Months	March 2017
Advertising on the local cable channels serving the communities within the target areas	4 Months	May 2017
Community walk-throughs and face-to-face meetings	3 Months	June 2017
National Media Launch – School Opening Ceremony involving the local elected representatives and officials from the Ministry of Education (Open House)	3 Months	June 2017
Erection of a Sign with roadside banners in the weeks leading up to the start of school	2 Months	July 2017

### **Operational Strategy and Plan**

The school buildings will be constructed in two phases. Phase 1 would involve the construction of 6 classrooms and offices capable of accommodating 144 students and 7 staff. In Phase 2, another 5 classrooms are to be built with an additional capacity of 144 students, bring the total number of students to 288.

It is our intent to open the school on September 1, 2017 with two (2) classrooms of 24 3-year old students each (total of 48 students) and 4 staff members. We will then add an additional two (2) classrooms of 24 students each for 4-year old students on September 1, 2018 (total of 96 students), followed by another two (2) classrooms of 24 students for 5-year old students on September 1, 2019 (total of 144 students). This will then complete Phase 1.

### Management Structure

SCKP will be wholly owned by CBOI and operated as a division of the CBOI organization. Under the regulations governing independent (non-public) schools, and early childhood institutions, to be registered as a school with the Ministry of Education, a Board must be appointed that will be responsible for the school's operation and for its compliance with the statutory requirements. The minimum legislated size for the Board is 3 persons.

Ideally, the minimum knowledge and expertise required for Board members would be;

1. Knowledge and experience in business and management and preferably also, prior management of schools.
2. Familiarity with school curricula and their translation into delivery of desired academic standards.
3. Familiarity with or a willingness to understand Labor Laws as well as the legislation governing schools and the operation of Early Childhood Institutions.

The appointment of a trained and highly qualified Principal initially would be preferred, but could conceivably be initially delayed, provided that proper executive support and guidance is provided by Board members on the mission critical activities of curriculum, financial, and customer/parent service management. As such, the minimum knowledge and skill sets required of the lead instructor would therefore be;

1. Formal training (tertiary/college qualified) in early childhood education and learning strategies.
2. An ability to translate and adapt curriculum changes to achieve the fundamental academic objectives.
3. Goal oriented and a strong commitment to superior customer service.
4. Competence in the use of technology and a willingness to fully integrate it as part of the class room and customer service experience.
5. Commitment and willingness to lead in imparting Christian-centered values to both faculty and students.

The initial management structure for the school would therefore be as follows;

1. A Board of Governors.
2. A Principal/Lead Instructor who will have day to day responsibility for the teaching, supervision of teaching faculty, and coordination/oversight of contracted support and business services.
3. 1 Qualified Teacher.
4. 2 Teaching Assistants.
5. Support and Business Services - Finance and Accounting, Security, IT, Canteen, Maintenance) will be contracted and monitored by an assigned SCKP Board Member.

As the school expands to capacity, the Principal will assume day to day responsibility for the school including most of the contracted and business services. The Board would then revert to its primary oversight role and its management of the school's mission within the community.

## Legal Considerations

SCKP will seek registration with the Ministry of Education as an independent school as well as an Early Childhood Educational Institution with the Early Childhood Commission.

The immediate benefit being that SCKP will be able to directly access CBOI's preferred tax status and thus businesses which support fundraising activities at the school will be able to apply their gifts and donations as tax deductible contributions. Additionally, registration as an independent school allows flexibility to upgrade the operation to offer elementary instruction.

SCKP will however need to comply with all the regulations contained in the Education Act of 1965, the Independent Schools Act (1975) and the Early Childhood Commission Act (2003).

Under those regulations;

1. A School Board must be appointed and the Registrar of Independent Schools at the Ministry of Education notified.
2. An application for registration of the school must be made with the Early Childhood Commission and a copy of the approved building plans submitted.
3. A certificate of inspection be obtained from the Fire Department as well as from the Ministry of Health. These must be displayed at the school.
4. All potential Board members must satisfy the Fit and Proper guidelines of the Ministry of Education before being allowed to serve. Compliance will include among other things passing a background check.
5. All staff members must comply with the Fit and Proper guidelines of the Ministry of Education. Potential Board or Staff members who have previously breached the Child Protection Act or any of the Sexual Offences Acts will not be allowed to serve in any capacity at the school.
6. All staff must be certified by the Ministry of Health to obtain a food handlers permit.

## Tax Considerations

As an approved charitable organization, CBOI is not liable to the payment of income tax under Section 13 of the Income Tax Act. However, any surplus generated by SCKP as a division of CBOI must apply their entire surplus to the goal of meeting CBOI's mission.

As an employer however, CBOI/SCKP must comply with the provisions of the Education Tax Act, the National Insurance Fund Act, the National Housing Trust Act, The Human Employment and Resource Training (H.E.A.R.T) Act as well as the Income Tax as it relates to staff. Under all these regulations, SCKP will be required to withhold and send each month to the government a portion of each employee's salary as prescribed under these regulations.

Additionally, SCKP will be required to match each staff member's deductions in an appropriate percentage as required by law, per the table listed below:

<b>Statutory Deduction/</b>	<b>Employee</b>	<b>Employer</b>	<b>Comments</b>
National Insurance Fund (NIS)	2.5% of Gross Salary	2.5% of Employee Gross	Withheld and surrendered along with Employer contribution

National Housing Trust (NHT)	2.0% of Gross Salary	3.0% of Employee Gross	Withheld and surrendered along with Employer contribution
Education Tax	2.25% of Statutory Income	3.5% of Employee Statutory	Withheld and surrendered along with Employer contribution
Income Tax	25% of Statutory Income	N/A	CBOI required to withhold and surrender employee tax.
H.E.A.R.T.	N/A	-	As an independent school SCKP is not liable to this statutory contribution.

## Financial Plan and Projections

A summary of the projected financial performance is provided below:

Key Assumptions	2017/2018	2018/2019	2019/2020
Student Enrollment	48	96	144
Tuition Income/Student	\$740	\$740	\$740
Non-Tuition Income/Student	\$193	\$170	\$162
Gross Income/Revenue	\$44,826	\$87,402	\$129,978
Expenses	\$42,580	\$72,183	\$115,254
<b>Net Surplus (Loss)</b>	<b>\$2,246</b>	<b>\$15,219</b>	<b>\$14,724</b>
<b>Breakeven Point - Students</b>	<b>46</b>	<b>80</b>	<b>128</b>
<b>Breakeven Point - Fee</b>	<b>\$695</b>	<b>\$582</b>	<b>\$639</b>

Detailed budgets and financial projections are provided at Appendices 1 – 3, and these assume that 48 students will be enrolled at September 2017. The projections further assume that the buildings for Phase 1 will be completed by August 2019, and that enrollment can be maximized by the start of the school year 2019/2020.

The key financial data from the projections are provided below:

<b>REVENUE</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Gross Income/Revenue	\$44,826	\$87,420	\$129,978
Total Operating Expenses	\$42,580	\$72,183	\$115,254
<b>NET INCOME (LOSS)</b>	\$2,246	\$15,219	\$14,724

Appendices:

- 1 - Initial Operating Budget
- 2 - Profit-Loss Projections
- 3 - Start-up Budget

## Appendix 1

## SCKP Operating Budget

		Amount	Description/explanation
<b>Income/Revenue</b>			(48 Students)
School Fees		\$35,520	\$740 per student/year @ 48 students
Fund raising		\$1,900	annual Christmas fund raising project
Cafeteria sales		\$7,056	.65 day/\$3 per wk/per student for lunches
Playground rentals		\$300	Assumption=\$20 per rental/5 per term
Interest		\$50	on bank accounts
<b>Total Income</b>		<b>\$44,826</b>	
<b>Expenses</b>			
Salaries/Wages		\$24,147	1-Prin/teacher, 1-Qual teacher,2-Asst teacher
Govt Deductions	\$1,871		NIS(2.5%), NHT(3%), Ed Tax(3.25%)
Group Health Insurance	\$897		Employer portion (4.2%)
Staff Training and Development		\$336	required courses and certifications
Utilities		\$5,100	
Telephone/Internet	\$600		
Electricity	\$2,400		
Water	\$1,200		
Waste disposal	\$900		garbage collection
Liability, Medical & Accident Insurance		\$1,432	School liability=\$1300/Student M&A=\$110
School liability insurance	\$1,300		annual premium
Student Medical & Accident Insurance	\$132		\$2.75 per student
Cafeteria expenses		\$5,292	Cost of prep and food for school lunches
PTA dues		\$200	annual dues
Professional Services & Fees		\$3,495	
ECC compliance	\$225		annual filing/reporting fees
Marketing/Promotion	\$320		printing of brochures/flyers, etc.
Administrative services	\$1,050		accounting and payroll
Security	\$1,900		contract
Office/teacher supplies		\$720	\$15 per student/yr
Transportation expenses		\$600	Bus rentals for field trips
Bank Charges		\$50	monthly fees
Miscellaneous expenses		\$200	Petty cash
Computers & Equipment maintenance		\$336	furniture & equipment repair/replacement
Facilities Maintenance & Repair		\$672	cleaning and routine repairs
<b>Total Expenses</b>		<b>\$42,580</b>	
<b>Net Income (Loss)</b>		<b>\$2,246</b>	
			<b>Note: Teacher/staff salaries:</b>
			Principal/teacher = \$9380 (90K JA/Month)
			Qualified teacher = \$5739 (55K JA/Month)
			Asst teacher = \$3130 (30K JA/Month)
			Total salaries = \$21,379 per yr (w/o benefits)
<i>As of: 09/01/2016</i>			

## Appendix 2

## SCKP Profit-Loss Projections

<b>#Students</b>	<b>40</b>	<b>44</b>	<b>48</b>	<b>96</b>	<b>144</b>	<b>Notes</b>
<b>Income:</b>						
<b>Variable</b>						
Fee income/year	29,600.00	32,560.00	35,520.00	71,040.00	106,560.00	\$740 per yr/student
Cafeteria sales	5,880.00	6,468.00	7,056.00	14,112.00	21,168.00	\$147 student/year
<b>Fixed</b>						
Fund Raising event	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	
Playground rentals	300.00	300.00	300.00	300.00	300.00	
Bank interest	50.00	50.00	50.00	50.00	50.00	
<b>Total Income</b>	<b>37,730.00</b>	<b>41,278.00</b>	<b>44,826.00</b>	<b>87,402.00</b>	<b>129,978.00</b>	
<b>Expenses:</b>						
<b>Variable</b>						
Salaries/Wages	20,612.00	20,612.00	24,147.00	40,646.00	70,697.00	
Staff training/development	250.00	250.00	336.00	588.00	1,092.00	\$84 per staff/year
Student Med & Accident Ins	110.00	121.00	132.00	264.00	396.00	\$2.75 student/year
Cafeteria expenses	4,410.00	4,851.00	5,292.00	10,584.00	15,876.00	\$110.25 student/year
Office/teacher supplies	600.00	660.00	720.00	1,440.00	2,160.00	\$15 student/year
Transportation expenses	600.00	600.00	600.00	1,200.00	1,800.00	2-buses/25 kids/1 trip/year
Furniture/Equipment repairs	280.00	308.00	336.00	672.00	1,008.00	\$7 student/year
Facilities cleaning/repair	560.00	616.00	672.00	1,344.00	1,680.00	\$14 student/year
Utilities	5,100.00	5,100.00	5,100.00	10,200.00	15,300.00	Ph/internet/Elec/water/Garb
<b>Fixed</b>						
Liability Insurance	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	
Professional services/fees	3,495.00	3,495.00	3,495.00	3,495.00	3,495.00	
Bank charges	50.00	50.00	50.00	50.00	50.00	
Misc. expenses/Petty cash	200.00	200.00	200.00	200.00	200.00	
PTA dues	200.00	200.00	200.00	200.00	200.00	
<b>Total Expenses</b>	<b>37,767.00</b>	<b>38,363.00</b>	<b>42,580.00</b>	<b>72,183.00</b>	<b>115,254.00</b>	
<b>Net Income (Loss)</b>	<b>(37.00)</b>	<b>2,915.00</b>	<b>2,246.00</b>	<b>15,219.00</b>	<b>14,724.00</b>	
<b>Staffing Assumptions:</b>						
Administration/Teacher	1	1	1	1	1	\$10595 per year
Qualified Teacher	1	1	1	3	6	\$6482 per year
Asst Teacher/Ancillary/Support	1	1	2	3	6	\$3535 per year
<b>Number of classrooms</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>6</b>	
<b>Staff/Student Ratio</b>	<b>13.3:1</b>	<b>14.7:1</b>	<b>12:1</b>	<b>13.7:1</b>	<b>11:1</b>	
<b>(Breakeven = 41 students)</b>						<b>As of: 09/01/2016</b>

## Appendix 3

## SCKP Start-up Expenses - Phase 1

Item Description	Qty	Phase I (144 Students)		Description/Explanation
		Cost Ea.	Total Cost	
<b>1. Office furniture and fixtures</b>				
Principal's desk	1	\$ 230.00	\$ 230.00	wooden/4-drawer/locks/60x30x29
Task/Assistant/Receptionist Desk	1	\$ 325.00	\$ 325.00	wooden/L-shaped/59x59x30
Executive chair	1	\$ 120.00	\$ 120.00	high-back/sim leather/adjusts/27x27x43
Task chair	1	\$ 70.00	\$ 70.00	HT adjusts/fabric seat
Visitor chairs	3	\$ 55.00	\$ 165.00	KFI 400 series/fabric seat
Fire-proof safe	1	\$ 250.00	\$ 250.00	MESA/digital lock/1Hrfire/18x18x20
IT workstation	1	\$ 158.00	\$ 158.00	48" HT/4 shelves/on wheels
Teacher's desk	6	\$ 230.00	\$ 1,380.00	wooden/4-drawer/locks/60x30x29
Teacher's chair	6	\$ 70.00	\$ 420.00	HT adjusts/fabric seat
Office/Teacher's storage cabinets	7	\$ 225.00	\$ 1,575.00	72" HT/metal/lockable
Conference/staff room table	1	\$ 250.00	\$ 250.00	35"x71"/Norwood/wooden
Conference/staff room chairs	6	\$ 25.00	\$ 150.00	250 series/Norwood/fabric/stackable
Filing cabinets	3	\$ 185.00	\$ 555.00	for administrative, student, & faculty records
Book cases	7	\$ 153.00	\$ 1,071.00	52" HT/12"deep/metal/black
Bulletin boards	7	\$ 77.00	\$ 539.00	5 ft X 4 ft cork
White boards	7	\$ 187.00	\$ 1,309.00	6 ft X 4 ft
Floor mats for office chairs	8	\$ 59.00	\$ 472.00	
trash baskets	8	\$ 15.00	\$ 120.00	metal
wall clocks	7	\$ 21.00	\$ 147.00	battery-operated
Office distribution box	1	\$ 54.00	\$ 54.00	12 sections
School yearly planning calendar	1	\$ 330.00	\$ 330.00	4 ft X 3 ft dry erase
<b>Sub-total</b>			\$ 9,690.00	
<b>2. Student furniture and equipment</b>				
Rest mats	144	\$ 18.00	\$ 2,592.00	Maher/3-fold/1" thick
Pre-school chairs	144	\$ 18.00	\$ 2,592.00	100 series/11" seat HT/varied colors
Adjustable Activity Tables	24	\$ 100.00	\$ 2,400.00	4 ft diameter/round (6 students)
2-person computer desks	12	\$ 238.00	\$ 2,856.00	for computer lab/48"x30"x25"
Soft play mats	12	\$ 123.00	\$ 1,476.00	2 per classroom/6 ft vinyl/ESCR4kids
Toy storage bins	2	\$ 181.00	\$ 361.00	Set of 20/with lids
Soft blocks	6	\$ 272.00	\$ 1,632.00	Large blocks/foam/32 pc.
Ultra-Play 4-person swing set	2	\$ 1,600.00	\$ 3,200.00	Lowes
Ultra-Play Discovery Center	1	\$ 5,900.00	\$ 5,900.00	jungle gym/maze/Lowes
Ultra-Play Bouncer	1	\$ 700.00	\$ 700.00	Lowes
Ultra-Play GeoDome	1	\$ 1,200.00	\$ 1,200.00	Lowes
Game Time "Mountain Shoals" playset	1	\$ 19,207.00	\$ 19,207.00	

## Appendix 3

## SCKP Start-up Expenses - Phase 1

Outdoor play & sports equipment		\$ 250.00	\$ 250.00	playground balls, soccer balls, etc.
Indoor puzzles & games	6	\$ 50.00	\$ 300.00	\$50 per classroom
Musical instruments/supplies	2	\$ 130.00	\$ 260.00	Each set comes w/25 instruments
Children's Learning Software - Preschool	6	\$ 15.00	\$ 90.00	6 CD programs on math, reading, etc.
Art and craft supplies	6	\$ 100.00	\$ 600.00	\$100 per teacher/class
Misc. teacher resources	6	\$ 100.00	\$ 600.00	\$100 per teacher for misc. resources
<b>Sub-total</b>			\$ 46,216.00	
<b>3. Computers and office equipment</b>				
Desk top computer - office	1	\$ 480.00	\$ 480.00	HP AIO (4GB/1TB)
IT server/LAN station	1	\$ 900.00	\$ 900.00	
Student laptop computers	25	\$ 350.00	\$ 8,750.00	HP Pavilion 10 Touch Notebook (2GB/320GB)
Laptop storage cart	1	\$ 550.00	\$ 550.00	lockable storage for laptops
Laser Printer	1	\$ 285.00	\$ 285.00	HP Laserjet M451
All-in-One Printer	1	\$ 150.00	\$ 150.00	HP Officejet 8600
Office productivity software		\$ 230.00	\$ 230.00	
<b>Sub-total</b>			\$ 11,345.00	
<b>4. Legal and Professional services</b>				
Registration of Company name		\$ 285.00	\$ 285.00	Estimates per Locksley Todd
Start-up public liability insurance		\$ 1,300.00	\$ 1,300.00	Estimates per Locksley Todd
Registration of web address/name		\$ 25.00	\$ 25.00	
Web hosting charges		\$ 120.00	\$ 120.00	
<b>Sub-total</b>			\$ 1,730.00	
<b>5. Start-up Administration/Operations</b>				
Operating capital		\$19,000.00	\$ 19,000.00	2 months expenses
Staff salaries and benefits	12	\$10,020.00	\$ 10,020.00	2 month salary & benefits
Adminstrator/Principal salary and benefi	1	\$ 5,300.00	\$ 5,300.00	6 months salary & benefits
Commercial first-aid kit	1	\$ 300.00	\$ 300.00	Commercial first-aid kit
Fire and safety equipment	7	\$ 152.00	\$ 1,064.00	fire extinguishers
Initial office supplies		\$ 600.00	\$ 600.00	
Cleaning & maintenance supplies		\$ 300.00	\$ 300.00	
Cleaning & maint equipment/tools		\$ 400.00	\$ 400.00	mops, brooms, buckets, misc. tools
Storage cabinet - cleaning supplies	1	\$ 225.00	\$ 225.00	72" HT/metal/lockable
Marketing and promotion		\$ 2,400.00	\$ 2,400.00	
Shipping Charges	2	\$ 3,800.00	\$ 7,600.00	20 ft. shipping container
<b>Sub-total</b>			\$ 47,209.00	
<b>Total Estimated Start-up Expenses</b>			\$116,190.00	