

JANUARY 2021



# SENIOR SCHOOL BUSINESS PLAN 2021-2028

## Executive Summary

**Kingsway College School (KCS) is pursuing an exciting opportunity to establish the only CAIS-accredited independent secondary school in Toronto's west end. KCS Senior School will offer classes from grade 9 to 12 in a co-ed environment and will open its new facility in September 2022 with a number of grade 9 classes and one grade 10 class. The objective of the school will be to provide a deep learning experience that develops students more thoroughly as skilled, creative and action-oriented thinkers in a changing, uncertain global economy. The school will meet the high standards of KCS Junior School and will be aligned with the KCS vision of being a defining force in developing lifelong learners. As the only independent secondary school between midtown Toronto and Oakville and one of the few co-ed independent schools in the Greater Toronto Area, KCS Senior School will also be filling critical gaps in the community and surrounding markets.**

KCS has been exploring the addition of a senior school for a generation and was tasked with this by the Board of Governors. The trends in education and market demands suggest that this is an optimal time to establish KCS Senior School. Over the past three years, KCS has undertaken an intense and rigorous research process to (i) evaluate the market and competing models, (ii) develop a school model that will better prepare students for post-secondary education and their careers, and (iii) identify and purchase a facility that will support a distinctly valuable learning experience. The KCS Senior School being proposed will ensure students exceed the Ministry of Education requirements with an enriched program that includes student-driven learning, regular engagement with external experts, use of relevant external facilities, and notable experience in applying their learning for actual impact.

KCS Senior School will be located at 2183 Lake Shore Boulevard on the second and third floor of a condominium development. KCS acquired the 40,000 square feet property in August 2020 for \$12.5 million. This will be the primary location of the KCS Senior School for grades 9 to 12. The total development cost of KCS Senior School is expected to be \$24.2 million, which is \$12.5 million to acquire the property, \$11.7 million in facility construction and equipment costs, and \$1.5 million of costs related to the purchase of the facility. KCS intends to finance this project through a combination of mortgage, bank debt, community bonds, charitable donations, and cash from operations.

We are confident we can create a successful high school experience because we have:

- (i) a proven track record of excellence in education,
- (ii) organizational capacity to pursue this project,
- (iii) a leadership team that is well established, creative, and visionary,
- (iv) a culture committed to learning and doing our best,
- (v) a devoted parent community, and
- (vi) KCS Board of Governors with the experience and capacity to guide KCS through this change.

In addition, the KCS financial foundation is solid and management and the community are passionate about establishing a KCS Senior School.



## Business Profile

Founded in 1989, KCS is a kindergarten to grade 8 CAIS-accredited, co-ed independent school in Etobicoke. KCS is a not-for-profit organization managed by a highly experienced staff with rigorous oversight by a Board of Governors. Our mission and vision are: “To be the defining force in developing lifelong learners by stewarding a learning environment that inspires us to reach our ultimate potential.” Appendix A contains additional corporate information.

KCS has been breaking the mould of traditional education in its Junior School for a generation of students. It has a uniquely open-ended and authentic approach to student leadership. KCS intentionally makes room for student passions and interests during the school day and welcomes community experts to share what they know with the students. Deeper learning is embraced at KCS through project-based learning and design thinking. As a foundation, it delivers a comprehensive, differentiated program in academics, arts, athletics, and citizenship that prepares all students to thrive both in the KCS program and in the lives they lead after KCS.

## Vision & Strategy

Thirty-one years ago, KCS changed the education landscape in Toronto’s west end by becoming the first ever independent school in the area. The driving vision was always to include a secondary school. Previously, KCS explored the possibility of establishing a secondary school with a large campus. With the high demand for real estate in west Toronto, it was financially unviable to purchase the required property for a secondary school with a traditional footprint. When research made evident that small, strategically-located school facilities were distinctly able to provide deep learning experiences, KCS revised its secondary school model. KCS students will regularly leverage spaces and facilities across the GTA for enriched learning. With Toronto as our campus, students will engage with the people and places in Toronto that define our world-class city.

KCS underwent an intense and thorough research process to develop a model for the Senior School that would address trends in the education sector and better prepare students for the future while remaining consistent with the KCS mission, vision and values. From the fall of 2017 to early 2019, in collaboration with a leading global education consultant, KCS worked with

over 40 KCS parents, board members, board committee members, faculty, and staff to complete a detailed investigation of over 80 exemplary schools globally.

The research focused on five areas:

- (i) student experience,
- (ii) faculty, staff and partners,
- (iii) assessment,
- (iv) time, and
- (v) facility.

In June 2018, a prototyping exercise resulted in the development of a school model that met our objectives. Since the prototyping exercise, significant activity continues to focus on the following areas: (i) financing, (ii) real estate, (iii) marketing and communications, (iv) partnerships, and (v) curriculum development. The final result will be a Senior School that will offer one-of-a-kind student-driven programming in purpose-built facilities with distinctive educators – all with the KCS emphasis on knowing what matters in life.

## KCS Senior School

### Curriculum

Learning at the KCS Senior School is designed to develop students into independent, intrinsically-driven learners and leaders in three fundamental ways.

- (a) Capacity:** Capacity captures all the knowledge and skills required by the Ministry of Education, plus additional expectations relating to creativity, leadership in learning, and experiential learning. Faculty will intentionally develop each course to ensure students develop these core capacities and that the KCS Senior School curriculum exceeds Ministry expectations.
- (b) Agency:** The Senior School will develop students’ ability to apply their growing knowledge and skills in purposeful ways. Courses will include learning from external experts who will introduce students to the current challenges and initiatives that are happening in all sectors, local and global. In one or more ways, every course will engage students in exercises that strengthen their voice, choice, creative confidence, and their ability to identify and solve authentic problems.

**(c) Impact:** The Senior School students will be challenged to exercise their growing capacity and sense of agency by leading and engaging in projects that have authentic value in the world, in every course and in their multi-year KCS Path Project. They will be supported by all faculty, a community of expert learning partners, dedicated time, access to relevant resources and spaces, and a distinctly designed curriculum.

Entrepreneurship will also be woven into the student experience and studied with external partners as part of their course. Entrepreneurship will develop critical attributes that will distinguish KCS students in their secondary and post-secondary learning, and throughout their lives, whatever path they choose to follow.

The Senior School will also offer the KCS Path Program, a program uniquely designed to develop the skills of a lifelong learner. Once a week from grade 9 to 12, each student will engage in a student-driven cross-curricular program that focuses on a topic of their choosing. It will include a course in Interdisciplinary Studies in which they will learn about and exercise entrepreneurship and for which they will earn a credit in grade 11. With the help of their Faculty Advisor and an external Mentor, they will learn about their topic from an academic, artistic, athletic, and citizenship perspective. They will also engage in offsite learning related to their topic. By the end of grade 11, each student will complete a culminating project that is both creative and of value outside the classroom. They will also complete an extended essay capturing their learning and creative journey. An added expectation is an annual Presentation of Learning to schoolmates, faculty, and Mentors. The objective of Path will be to regularly challenge students to think flexibly, exercise their creativity, engage with experts, and make a positive difference. Appendix B includes additional information on Path.

We believe the KCS Senior School curriculum will distinctly prepare students for success in their post-secondary endeavours, at university and beyond.

## **Students**

Like the Junior School, KCS Senior School will offer a learning experience that serves a wide array of students and not a specific type of student. The diverse strengths, skills and interests of the students will enrich everyone's learning.

The student experience will be built on the strong foundation of our K-8 program, where a committed focus on excellence in academics, arts, athletics, and citizenship will develop students to thrive as lifelong learners. It will offer a full complement of courses to support all post-secondary paths. It will have additional opportunities in academics, arts, athletics, and citizenship through our co-curricular program and through a model of student leadership that will equip all students to turn their ideas into opportunities for themselves and other students. In addition, through our distinct KCS Path Program, each student will have support from a dedicated Faculty Advisor as well as an external Mentor so they can pursue deep learning in the area of their greatest interest. The Senior School facility and ample nearby green space will support all aspects of our program. Offsite learning and the extensive network of external learning partners will further enrich the learning experience.

Every element of the Senior School has been chosen for its evident value in the most impactful schools around the world. Every student will benefit from the experience the Senior School will provide.

Admissions for the first students, who will be attending grade 9 in our temporary location in Bloor West Village, has begun. Admissions for students attending our Lake Shore campus will begin in late 2021. Senior School students are expected to come from the KCS Junior School, surrounding communities in Toronto's west end, and possibly beyond Toronto's west end for those with access to transit.

## **Classes/Grades**

The KCS Senior School Lake Shore facility has the capacity to enroll 264 students or three classes per grade with a maximum of 22 students per class. In September 2022, the facility is expected to open with three classes in grade 9 and one class in grade 10, with an additional grade added each year. By 2024, the school will offer grades 9 to 12.

With the historical growth at the Junior School, firstly with doubling the number of classes and secondly, when the Early Learning Program was added to the school, we noted that it could take 3-5 years to reach capacity. In some situations, we were able to achieve capacity faster than anticipated. We anticipate that the Senior School will reach capacity of 264 students in that timeframe.

## Tuition

Tuition at the KCS Senior School is projected to start at approximately \$30,000 per year. The tuition fees are aligned with that of the Junior School and, similar to the Junior School, are expected to increase at a rate between 2.0% to 5.0% per year.

## Staff & Faculty

KCS Senior School will be managed by a highly experienced staff and faculty with some staff crossover from the KCS Junior School. Derek Logan, the Head of School, will oversee the entire KCS School from kindergarten to grade 12. Andrea Fanjoy, the KCS Head of Senior School and previously the Assistant Head, Academics for KCS, will oversee grades 9 to 12. Andrea is seen as a leader in independent education nationally and brings deep knowledge and experience in education to the role. She was an important part of the team that has worked to ensure KCS provides its students in the Junior School with a comprehensive and transformative education with opportunities for deeper learning and student-led initiatives such as the introduction of the Student Entrepreneurship Program in 2018. Andrea also led the current Senior School efforts and has a solid understanding of the KCS culture, operating model, policies, and processes that she will bring to the Senior School. Appendix C includes additional information on Derek Logan and Andrea Fanjoy.

Andrea will be joined by an Assistant Head, Senior School in July, 2021, who will bring high school experience. The Head and Assistant Head of Senior School will both have teaching responsibilities in addition to their leadership and administrative duties.

The expected staffing requirements include:

- **Staff:** Prior to the Lake Shore facility's opening in 2022, multiple staff, including a Guidance Counsellor, Makerspace manager, Office Manager, and faculty will be hired. The Business, Marketing, Communications, Admissions, Technology, and Advancement oversight functions will be carried out by staff who currently serve the Junior School. Some additional resources to these departments are expected so they can manage the growth in KCS and the demands of launching the Senior School. Facility and custodial services are expected to be on contract.

- **Faculty:** KCS Senior School will begin hiring faculty for the Grade 9 Bridge Year in early spring of 2021. Faculty and staff for the 2022 opening of our facility will be hired in the 2021-2022 school year. Additional faculty will be hired as the grades are added each year to the school. While most optional courses will be taught by full-time staff, some additional optional courses may be offered by hiring specialist teachers on short-term contracts. The faculty will be responsible for ensuring students learn and are assessed as required. Though student-driven learning will be a notable feature of the school, teachers will remain the professionals in the room, expected to oversee and guide students, ensure safety, communicate with parents, and assess their learning for report card purposes. In addition, there will be an Advisory teacher for each student, who will oversee their learning and success during their four years at school, and will play a significant role in ensuring all the fundamentals are in place and serving students well.

Exhibit 1 below outlines the projected staffing requirements assuming three classes per grade as of 2022-2023, with a single class of grade 9 starting in 2021-2022.

### EXHIBIT 1: Estimated KCS Senior School Staff & Faculty Requirements

Fiscal Year	Grade	Max. Enrolment	Staff	Faculty (FTE)
2021-2022			2	2
2022-2023	9, 10	88	7	8
2023-2024	9, 10, 11	154	8	14
2024-2025	9, 10, 11, 12	220	8	19
2025-2026	9, 10, 11, 12	264	8	24
2026-2027	9, 10, 11, 12	264	8	24
2027-2028	9, 10, 11, 12	264	8	24



## Facility

The KCS Senior School facility will be located at 2183 Lake Shore Boulevard and occupies two floors of a condominium building. The facility, purchased by KCS in August 2020 for \$12.5 million, is 40,000 square feet and will be different from a traditional high school.

The KCS Senior School facility will be a central hub for the students and will have enough classrooms to accommodate all students on site. The facility will also have:

- A common room for large-group learning, gathering, collaborating, physical activity, and community-building,
- A café and store serving the school community, launched and managed by students,
- Flexible learning spaces that can vary in size and purpose, meeting the needs of most courses,
- A fitness room,
- A makerspace and art studio designed to support a wide variety of creative work,
- A multimedia studio,
- A science lab, and
- Additional offices and rooms to meet the needs of faculty, students, staff and administrators.

The Senior School will require less space, as it will serve a smaller population of students and will not contain some of the bigger specialized spaces in conventional schools, such as a full gym or a library. The reduction in space does not imply a negative impact to student learning and experience; in fact, it is an intentional strength in the new concept. One of our model's fundamental beliefs is that KCS Senior School can offer students a more fulfilling experience if a notable amount of learning takes place out in the wider city (i.e. Toronto as our campus), for example: physical education classes may take place in the Ford Performance Centre (formerly MasterCard Centre) and various public and private sport facilities; history classes at the Reference Library, ROM, and Toronto Archives; and art classes at the AGO, Museum of Contemporary Art, and the Artscape Daniels Launchpad.

The proposed KCS Senior School model will allow students to participate in all the activities found in schools with larger campuses by using exemplar facilities around the city. KCS has already demonstrated its ability to use external resources successfully. At the Junior School, KCS makes great use of community resources already e.g. Centennial Park, Humbertown Park, Montgomery Pool, HoopDome, etc.

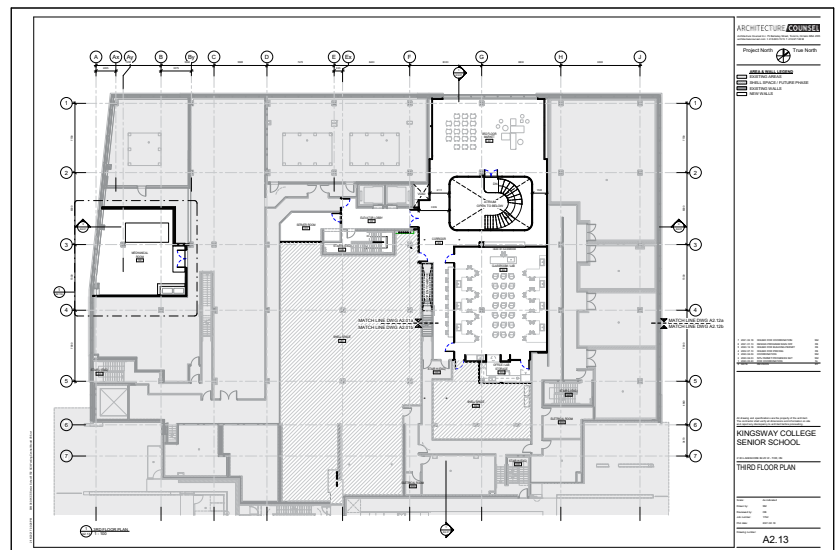
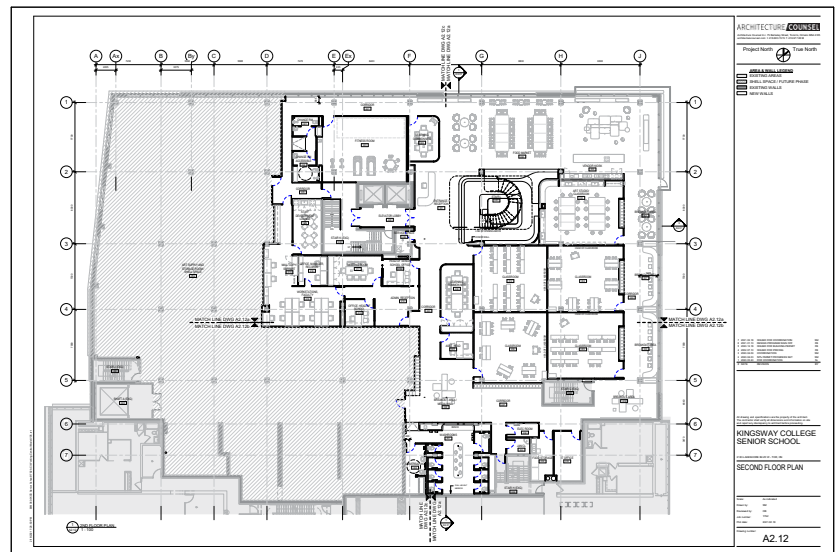


The construction costs to create the Senior School facility are expected to be \$11.7 million and will be completed in three phases. The first phase, requiring \$7 million, will be completed by the summer of 2022.

The facility, located by Lake Ontario, is near green space that will enable the school community to enjoy, learn and be physically active in nature. It is on a main streetcar route and is a 15-minute bus ride from Old Mill Station supporting easy access to external partners. School buses will provide transportation to destinations not easily reached on foot or by TTC.

## Partnerships

The program will leverage people and organizations in the community for learning opportunities, spaces, and access to experts. These KCS Learning Partners artners will be identified for their role in supporting learning, providing external facilities for place-based learning, offering financial support, and/or as connectors to other potential partners. Learning Partner outreach has begun with a list of over 90 prospective partners with priority partners including those with athletic facilities and post-secondary connections.



## Technology

The KCS Senior School will support students in responsibly leveraging the technology of their choosing with a Bring Your Own Device program. A dedicated Learning Management System and cloud-based tools like Microsoft OneDrive and Google will help students manage their coursework and online communication. Additional cloud-based tools will be used to support some of the more distinctive elements of our model, including student engagement with external partners. Desktop computers in our Makerspace will be equipped to support computer-aided design, video and audio editing, and artistic creation. A suite of laptops will be available for limited loan by students whose laptops require external repair. Responsibility for having a functioning laptop at school will rest with students.

The Makerspace and multimedia studio will include dedicated technology to support creative work, including 3D printers, a laser cutter, and video/audio recording equipment.

## Market Analysis and Strategy

The traditional, and largely current, model of education includes mainly adult-driven learning experiences, and often a notable emphasis on students memorizing content that is subsequently forgotten after final exams. The traditional model of education separates students from their community and the infinite array of expertise that is willing to inform and inspire. It underestimates the difference students can make and the leadership potential they possess. It leaves little room for student passions, interests, voice and choice, overlooking the lost engagement and reduced learning that are the result. To a significant degree, it is built on extrinsic motivation, reserving intrinsic motivation for extra-curricular activities.

### *Changes in Senior School Education*

A number of forces are affecting senior school education, resulting in changes that many believe will transform education for the better. These include:

- **Demands for Deeper Learning:** Demands for deeper learning are coming from an increasing number of voices. For decades, much traditional secondary learning has been criticized for being superficial and quickly forgotten. With the rise of the internet and ubiquitous access to unlimited information, the value of this exercise has been increasingly challenged. While having knowledge continues to matter, the profession knows there are better ways to build student knowledge so that it sticks. Project-based learning, passion-driven learning, experiential learning and more are processes that are spreading in education for their enhanced ability to not only teach the knowledge and skills students have always needed, but also for their ability to develop attributes most aligned with success after formal schooling.
- **Changing Economy:** Global interdependence, economic unpredictability, environmental degradation, income disparity and rising automation are some of the undeniable challenges that are widely recognized. The evident need to do better means that all stakeholder groups are joining thought leaders in education in calling for deeper learning that develops students more thoroughly as skilled, creative, and action-oriented thinkers.
- **Technology:** Technology is transforming access to information and instruction. The knowledge that used to be acquired via teachers and textbooks is now directly available to students 24/7 via internet-enabled devices. Progressive teachers and the profession as a whole are getting more proficient in guiding students to leverage technology for enhanced learning.
- **Declining Wellness:** Declining wellness among secondary students from across North America increases the urgency to do better in meeting student needs. A Toronto District School Board Census released November 2018 affirms that these symptoms are widespread and on the rise in our own neighborhoods.

### *Deciding on a School*

KCS parents and students choose their high schools based on the combination of strengths that make it the best for their child. The factors usually considered in the decision process include:

- Quality education (traditional, specialized, alternative, IB, AP)
- Reputation of the school
- Location and access to public transit
- Tuition
- Desired experience (the feel, community, extra-curricular offerings, leadership, trips, special programs)
- Facility

## Competition

The KCS Senior School competitive landscape comprises secondary schools available to students in the Greater Toronto Area and is generally categorized as follows:

### **1) Canadian Accredited Independent Schools**

**(CAIS):** These schools are typically older schools with strong reputations. CAIS education ensures a high quality experience consistent with what is offered at KCS. These schools all operate with a full commitment to delivering an excellent, comprehensive education. Many of these schools also offer enriched academics through either the



International Baccalaureate Program or Advanced Placement courses. They are not-for-profit organizations and are governed by the rigorous oversight of a board of directors. CAIS accreditation ensures member schools invest significantly in faculty, professional development, commitment to best practices, and continuous improvement.

**2) Non-CAIS-accredited independent and private schools:** These schools offer a variety of features (e.g. size, timetable, learning, personalization, innovation, specialized program) at more affordable tuition rates relative to CAIS schools.

**3) Public schools within the Toronto District School Board:** The Toronto District School Board has diverse secondary offerings with schools specializing in student areas of interest, e.g. arts, technology, social justice and Advanced Placement. There is no tuition, the commute tends

to be local and easy, and the schools generally have a diverse student population. While there are exceptions, much of the educational offering is a more traditional school experience.

**4) Catholic publicly-funded schools:** Similar to public schools, Catholic high schools provide special course offerings, have no tuition, are local (offering an easy commute), have a diverse student population, and generally provide a more typical high school experience.

While it varies annually, KCS graduates tend to choose from more than 12 secondary schools with, on average, about 70% of KCS graduates attending independent or private schools and the remaining 30% attending local public or Catholic schools. Exhibit 2 provides a list of the schools KCS graduates typically select to attend high school with a comparison to the anticipated KCS Senior School.

## EXHIBIT 2: Competitive Landscape

Type and Name of School	Location	Km from KCS	Gender	2020-2021 Annual Tuition	Program Offered
<b>CAIS-accredited Independent</b>					
KCS Senior School	Etobicoke	6	Co-ed	\$31,000 (in 2022)	Experiential, Place-Based
Appleby College	Oakville	34	Co-ed	\$43,550-\$72,660	Advanced Placement
Branksome Hall	Toronto	13	Girls	\$34,650-\$38,150	International Baccalaureate
Greenwood College	Toronto	14	Co-ed	\$37,700	Advanced Placement
Havergal College	Toronto	14	Girls	\$35,000	Advanced Placement
Royal St. Georges College	Toronto	10	Boys	\$35,320	Advanced Placement
St. Clement's School	Toronto	14	Girls	\$31,900	Advanced Placement
St. Mildred's-Lightbourn School	Oakville	30	Girls	\$29,280	Advanced Placement
The Bishop Strachan School	Toronto	10	Girls	\$33,830	Advanced Placement
The York School	Toronto	12	Co-ed	\$33,000	International Baccalaureate
Upper Canada College	Toronto	11	Boys	\$34,885-\$37,135	International Baccalaureate
<b>Non-CAIS-accredited Ind./Private</b>					
Holy Name of Mary College School	Mississauga	18	Girls	\$20,375	
St. Michael's College School	Toronto	9	Boys	\$23,200	Advanced Placement
Mentor College	Mississauga	14	Co-ed	\$19,300	Advanced Placement
Toronto Prep School	Toronto	13	Co-ed	\$29,450	
<b>Local Public High School</b>					
Etobicoke Collegiate Institute	Etobicoke	1	Co-ed	None	
Etobicoke School of the Arts	Etobicoke	4	Co-ed	None	Arts-Focused School
Richview Collegiate Institute	Etobicoke	3	Co-ed	None	
Ursula Franklin Academy	Toronto	5	Co-ed	None	Integrated Studies
Western Technical Institute	Toronto	5	Co-ed	None	Cyber Arts
<b>Local Catholic High School</b>					
Bishop Allen Academy	Etobicoke	3	Co-ed	None	Advanced Placement
Father John Redmond Catholic School	Etobicoke	8	Co-ed	None	Advanced Placement

Source: Public School Materials, Websites and Internet.

## ***The KCS Senior School Competitive Advantage***

The KCS Senior School is being developed to address gaps and provide underserved features in the market. Below are the main competitive advantages of the KCS Senior School:

- **Quality Education:** The KCS Senior School will offer quality education with a responsible mix of traditional, specialized and innovative programming to best prepare students for the future.
- **Strong Reputation:** The KCS Senior School is being built off the strong reputation and CAIS-accreditation of the KCS Junior School.
- **Desirable Location:** The KCS Senior School will be the only CAIS secondary school between downtown Toronto and Oakville. Currently, KCS graduates who wish to attend an independent senior school face a commute that can take from one to as high as three hours a day. The proximity of an independent school in the Etobicoke community will significantly address commuting without compromising on the quality of their education.
- **Desired Experience:** A unique model that will nurture student-driven learning, independence, passion, intrinsic motivation, community, leadership, entrepreneurship, and more within the core learning experience (not just in extra-curricular), offering what educational thought leaders argue is most needed.
- **Co-ed:** The KCS Senior School will address a relative lack of independent co-ed secondary school options for students across Toronto. Currently, the two most popular independent co-ed options for KCS students, Appleby in Oakville and Greenwood in Toronto, require particularly long commutes.
- **Facility:** The facility will be created to be a distinctive learning and community hub with easy access to a variety of external facility partners for enriched learning.

## **Marketing and Promotion**

A number of marketing “pre-steps” have been completed in order to establish a comprehensive marketing and communications strategy for the KCS Senior School.

These steps included hiring a third party to complete market research and engaging a marketing and communications agency to assist with brand support and the creation of draft, first-stage marketing materials. Initial steps also include the publication of blogs that describe the senior school model and the significant work that went into its design.

Several marketing and communications initiatives have either been completed or are being completed, including: marketing for the KCS Senior School, the creation of a KCS Senior School landing page on the KCS website for prospective families, the creation of a Senior School e-newsletter, sending push pages with information to specific groups, creating social media posts and marketing KCS Senior School on the KCS elementary school social media channels, creating information meetings, and setting up booths at independent school EXPOs. Marketing and communications will be created for the following audiences (a) admissions, (b) universities, (c) faculty, and (4) partners.

Marketing and communications components will be triggered based on certain timelines and will piggyback, when possible, on marketing and communications tools available at KCS.

## Anticipated Timeline

The KCS Senior School is scheduled to begin with one class of grade 9 in September 2021. When the Lake Shore facility opens in September 2022, three grade 9 classes will join the founding class (entering grade 10). Three classes of grade 9 will continue to be added each year. The KCS Board of Governors, management, staff, and volunteer parents have spent a considerable amount of effort and resources over the past few years to develop the KCS Senior School from its initial concept. The KCS Board of Governors approved the decision to pursue the KCS Senior School on June 5, 2019. Since the Board approval, the team has undertaken a thorough and intense effort to develop the concept primarily in the following areas:

- Financing / Financial Projections
- Purchase of the Real Estate and Facility Work
- Marketing and Communications
- Partnerships and Procured Partnerships
- Curriculum Development

These five areas of focus are overseen by a Senior School Executive Committee. Progress in each of these areas is advanced by a Senior School Design and Construction Committee, the KCS Advancement and Finance Committees, a Campaign Cabinet, and dedicated staff with support from external experts.



The anticipated timeline for the remainder of the period is outlined in schedule 3 below:

### SCHEDULE 3: Anticipated Timeline

	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Facility Construction								
Financing								
Staffing & Hiring								
Marketing & Communications								
Admissions								
Partnership Arrangement								
Curriculum Development								

We are confident we have the appropriate teams, experience and knowledge to achieve the anticipated timeline.



## Financial Plan

KCS has been operating a successful school model since 1989. Currently, the school is at near capacity with the student population and generated revenues in excess of \$10.7 million for the fiscal year ended June 30, 2020, while operating within the budgeted objective of breakeven. At the end of June 30, 2020, KCS had a cash balance of \$9.5 million. Appendix D includes the KCS financial statements for the year ended June 2020.

### Sources and Uses

The projected capital required to purchase the property and complete facility construction costs is estimated to be \$25.7 million. The capital will be raised from four sources:

- (i) TD Bank has provided a mortgage of \$9.0 million and an additional construction loan of \$4.5 million,
- (ii) KCS will issue community bonds for \$4.0 million,
- (iii) KCS will raise charitable donations, and
- (iv) cash from KCS Junior School and operating cashflow from the Senior School from FY2022-2028.

Exhibit 4 details the sources and uses.

The \$9.0 million mortgage and \$4.5 million construction loan are being provided by TD Bank. KCS and TD Bank have an existing relationship with the Junior School. The mortgage package includes a financial covenant. KCS is expected to be onside with the covenant.

KCS will be issuing \$4.0 million in community bonds, an interest-bearing bond issued to the community by non-profit organizations. The community bonds will be offered in three series:

- **Trailblazer:** \$50,000 bond at 5% interest per annum and a 7 year term,
- **Builder:** \$10,000 bond at 4% interest per annum and a 6 year term, and
- **Booster:** \$2,500 bond at 3% interest per annum and a 5 year term.

The community bonds will be offered to the KCS and broader community from April until mid-December 2021 and will likely be RRSP and TFSA eligible. KCS is working to finalize their eligibility status prior to the official launch of the bond offering. Our preliminary discussions with potential investors within the KCS community have indicated significant interest to invest in the bonds.

### EXHIBIT 4: Sources and Uses (FY2021-FY2028)

Sources	% of Total		Uses	% of Total																																											
Cash																																															
KCS Cash	\$4,512,627	17.6%	Facility Purchase Costs	\$14,012,627	54.5%																																										
Charitable Donations	3,700,000	14.4%	Leasehold Improvements	11,700,000	45.5%	Debt						TD Mortgage	\$9,000,000	35.0%				Construction Loan	4,500,000	17.5%				TD Debt	13,500,000	52.5%				Community Bonds	4,000,000	15.6%				Total Debt	\$17,500,000	68.1%					<u>\$25,712,627</u>			<u>\$25,712,627</u>	
Debt																																															
TD Mortgage	\$9,000,000	35.0%																																													
Construction Loan	4,500,000	17.5%																																													
TD Debt	13,500,000	52.5%																																													
Community Bonds	4,000,000	15.6%																																													
Total Debt	\$17,500,000	68.1%																																													
	<u>\$25,712,627</u>			<u>\$25,712,627</u>																																											



## Projected Cash Flow

KCS has prepared financial projections for KCS Senior School (see exhibit 5). The projected cash flow is based on a school year from July to June.

The key operating assumptions of the financial information below are based on three classes per grade and are:

- Enrolment:** Enrolment is one of the key drivers of revenue in the projections. The assumption for enrolment is that the school will open in September 2022 with three classes in grade 9. Each class will have a maximum capacity of 22 students for a total of 66 students in grade 9. In the financial projections, KCS assumes the Senior School will operate at 90% capacity or 59 students per grade for the first four years. An additional grade will be added to the school every year with the school enrolment at 238 (90% capacity) students in grades 9 to 12 in 2024. Admissions for the first students will begin in late 2021 with students expected to come from the KCS Junior School, surrounding communities in Toronto's west end, and possibly beyond Toronto's west end for those with access to transit.
- Bridge Year Program:** KCS had initially intended to officially open the KCS Senior School in September 2021. Due to the COVID-19 pandemic, the official opening was delayed by a year. However, in the fall of 2021, several KCS families with children in grade 8 contacted the school to request the school explore opening the Senior School in September 2021. After extensive consideration, KCS is currently exploring the possibility of opening the Senior School in September 2021 with one grade 9 class with a maximum of 15 students. Tuition fees for the Bridge Year Program in FY2022 will be aligned to grade 1 to 8 Junior School tuition fees, which are expected to be approximately \$30,000. The financial model assumes 9 students will join the Senior School in grade 9 in September 2021 and will graduate in June 2025.
- Tuition:** Tuition at KCS Senior School is projected to start at approximately \$30,000 per year. The tuition fees for the Senior School is aligned with the grade 1 to 8 Junior School tuition fees. From a cash flow perspective, the projections assume 70% of tuition is received in the preceding fiscal year. For example, for the school year starting in September 2022, 70% of the total tuition fees for that school year will be paid to KCS prior to the end of the fiscal year ending June 2022. It is expected that tuition will increase at a rate of 2.0% to 5.0% per year, similar to the Junior School. For purposes of financial modelling, KCS has assumed a 2.5% annual increase in the tuition fees. There will also be a \$6,000 infrastructure fee for new students joining the Senior School.
- School Administration and Faculty Hires:** The investment in teachers is the primary operating expense. Salaries and benefits for the staff and faculty make up the largest operating expense at the KCS Senior School. The faculty hires are staggered over five years with the projections assuming 5 teachers are hired in 2022 growing to a maximum of 24 teachers as of September 2025. Exhibit 1 provides detailed information on staffing and faculty hiring assumptions.
- Facility:** KCS Senior School purchased a facility with 40,000 square feet of space in August 2020. The projections assume operating cost per square foot is \$20.00 in FY2023 increasing annually by the cost of living rate.
- Cost of Living Rate:** The projections assume 2.0% cost of living increase per year.

## EXHIBIT 5: 10 Year Financial Projections | Year-ending June, 30

	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F
<b>Revenues</b>										
Tuition revenues		272,500	2,108,000	4,070,400	6,096,200	7,949,200	8,139,600	8,353,800	8,568,000	8,782,200
Infrastructure fees		-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Investment income		-	14,000	15,000	8,000	1,000	5,000	-	-	-
	-	272,500	2,272,000	4,235,400	6,254,200	8,100,200	8,294,600	8,503,800	8,718,000	8,932,200
<b>Operating Expenses</b>										
Salaries and benefits	-	(395,000)	(1,460,000)	(2,200,000)	(2,990,000)	(3,720,000)	(3,795,000)	(3,865,000)	(3,940,000)	(4,020,000)
Educational enhancements	-	(62,500)	(213,000)	(407,000)	(611,000)	(797,000)	(815,000)	(838,000)	(859,000)	(876,000)
Administration	-	-	(106,000)	(206,000)	(303,000)	(396,000)	(406,000)	(417,000)	(426,000)	(440,000)
Marketing	-	-	(106,000)	(206,000)	(303,000)	(396,000)	(406,000)	(417,000)	(426,000)	(440,000)
Occupancy-condo fees	(290,000)	(290,000)	(300,000)	(305,000)	(310,000)	(315,000)	(320,000)	(325,000)	(335,000)	(340,000)
Occupancy-utilities, cleaning & other	(155,000)	(230,000)	(315,000)	(610,000)	(915,000)	(1,190,000)	(1,220,000)	(1,250,000)	(1,285,000)	(1,315,000)
	(445,000)	(977,500)	(2,500,000)	(3,934,000)	(5,432,000)	(6,814,000)	(6,962,000)	(7,112,000)	(7,271,000)	(7,431,000)
<b>Financing Expenses</b>										
Mortgage-principal & interest	(200,000)	(485,000)	(485,000)	(485,000)	(485,000)	(485,000)	(485,000)	(485,000)	(485,000)	(485,000)
Amortization in excess of loan principal	(140,000)	(140,000)	(420,000)	(420,000)	(420,000)	(470,000)	(470,000)	(470,000)	(470,000)	(470,000)
Construction loan interest		(140,000)	(170,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)
Community Bond interest	-	(160,000)	(170,000)	(170,000)	(170,000)	(170,000)	(150,000)	(90,000)	-	-
Community Bond amortization	-	(600,000)	(660,000)	(660,000)	(660,000)	(660,000)	(510,000)	(250,000)	-	-
	(340,000)	(1,525,000)	(1,905,000)	(1,915,000)	(1,915,000)	(1,965,000)	(1,795,000)	(1,475,000)	(1,135,000)	(1,135,000)
<b>Excess (deficiency) of revenues over expenses</b>	<b>(785,000)</b>	<b>(2,230,000)</b>	<b>(2,133,000)</b>	<b>(1,613,600)</b>	<b>(1,092,800)</b>	<b>(678,800)</b>	<b>(462,400)</b>	<b>(83,200)</b>	<b>312,000</b>	<b>366,200</b>
<b>Cash in</b>										
Tuition revenues	190,000	1,560,000	3,480,000	5,490,000	7,390,000	8,080,000	8,290,000	8,500,000	8,720,000	8,935,000
Infrastructure fees	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Investment income	-	-	14,000	15,000	8,000	1,000	5,000	-	-	-
Construction loan	-	3,500,000	700,000	300,000						
Community bonds	3,400,000	600,000								
Donations	-	1,000,000	250,000	1,000,000	700,000	250,000	250,000	250,000	250,000	250,000
	3,590,000	6,810,000	4,594,000	6,955,000	8,248,000	8,481,000	8,695,000	8,900,000	9,120,000	9,335,000
<b>Cash out</b>										
Real estate investment	(2,300,000)	(4,700,000)	(800,000)	(2,400,000)	(1,500,000)					
Operating Expenses	(445,000)	(1,230,000)	(2,980,000)	(4,425,000)	(5,885,000)	(6,865,000)	(7,015,000)	(7,165,000)	(7,330,000)	(7,485,000)
Bank principal & interest	(200,000)	(625,000)	(655,000)	(665,000)	(665,000)	(665,000)	(665,000)	(665,000)	(665,000)	(665,000)
Community bond interest	-	(160,000)	(170,000)	(170,000)	(170,000)	(170,000)	(150,000)	(90,000)	-	-
Community bond principal	-					(350,000)	(1,900,000)	(1,750,000)		
	(2,945,000)	(6,715,000)	(4,605,000)	(7,660,000)	(8,220,000)	(8,050,000)	(9,730,000)	(9,670,000)	(7,995,000)	(8,150,000)
<b>Net cash flows</b>	<b>645,000</b>	<b>95,000</b>	<b>(11,000)</b>	<b>(705,000)</b>	<b>28,000</b>	<b>431,000</b>	<b>(1,035,000)</b>	<b>(770,000)</b>	<b>1,125,000</b>	
<b>Cumulative Cash</b>	<b>645,000</b>	<b>740,000</b>	<b>729,000</b>	<b>24,000</b>	<b>52,000</b>	<b>483,000</b>	<b>-552,000</b>	<b>-1,322,000</b>	<b>-197,000</b>	<b>988,000</b>



## Opportunities and Challenges

### Opportunities

- **Create a leading secondary school that addresses the changes in the education sector and economy.**

For decades, traditional secondary learning has been criticized for being superficial and quickly forgotten.

- An emphasis on having students memorize vast amount of content, though well-intended, invariably led to students forgetting much of that content as soon as culminating exams were written.
- Traditional models are not designed to develop the traits students most need to manage an unpredictable future.
- These models are highly adult-driven learning experiences which can leave students inexperienced in a world expecting independence, initiative, problem-finding and solving, creativity, critical thinking, and collaboration.
- Research reveals that high school students are increasingly dissatisfied by school, anxious about their future prospects, and experiencing decreasing mental and physical wellness.
- Research also makes clear that the growing gap between tuition in independent schools and parent income is becoming untenable.

Educational leaders are well aware of these problems, yet solutions within established schools are difficult to introduce.

Educational research, university admissions teams, and business surveys tell us the same thing: today's students need a new kind of education to prepare them for an ever-changing world. They need cross-disciplinary and collaborative projects. They need opportunities to drive their own learning, based on their individual interests and needs. They need to develop powerful skills and competencies. They need to think flexibly and creatively. They need to develop an awareness of self and the world.

KCS has an opportunity to create a new school that embraces these challenges by design. The KCS Senior School will be designed to ensure students exceed the Ministry of Education requirements while providing them with an enriched program that will include student-driven learning, the engagement of external

experts, the use of relevant external facilities, and notable experience in applying their learning for actual impact.

- **Establish the only independent secondary school in the community.** The KCS community has made clear its desire for a senior school for many years. The distance and commute times to the secondary schools KCS students typically enroll in are generally far and long. Both KCS families and others would like to have an independent senior school in west Toronto offering an exemplary education that, in certain respects, would be unequalled. Students would have access to a nearby independent senior school which could eliminate the need for long commutes if they intend to attend the independent or private secondary schools.
- **Continue the gains achieved in the KCS Junior School.** KCS Senior School will provide four more critical years to further develop students to reach their ultimate potential. The KCS Junior School students make tremendous gains in their elementary learning. It has a uniquely open-ended and authentic approach to student leadership. It intentionally encourages student passions and interests during the school day. It is embracing deeper learning through project-based learning and design thinking. As a foundation, it delivers a comprehensive, differentiated program in academics, arts, athletics, and citizenship that prepares all students to thrive both in the KCS program and in their lives. With the addition of KCS Senior School, the students will be able to continue their gains achieved in KCS Junior School.
- **Remove the high school admission process for KCS Junior School families.** The KCS Senior School will eliminate the need for families and students in the KCS Junior School to undergo the high school admissions process. The high school admissions process can be a distraction over the later years at KCS. Despite little reason for it, worry typically begins by grade 6, with increasing evidence that the worrying starts in much younger grades. The stress and time devoted to high school admission peaks in grade 8. Students are required to miss numerous school days to attend high school Open Houses, auditions and interviews. Additional school time is devoted to preparing students to write SSAT exams. At home, significant time is spent on applications. Despite the fact that KCS students have strong success in gaining admission, usually to multiple schools, none of this alleviates the stress of waiting.

Grade 8 teachers do their best to support students through the stress, but it remains an element of the grade that would not be missed. By removing the high school admission process, students will be able to focus more deeply on compelling projects and leadership opportunities in grade 8.

## Challenges

- **Enrolment in the early years.** The KCS Senior School is competing against schools that have already created a strong reputation in their secondary schools. While the KCS Senior School will deliver an exceptional education opportunity and KCS has a stellar reputation, there is the possibility that attracting students to the school in the early years may be challenging. To provide a cushion for this possibility, the KCS team has been conservative in its enrolment projections and only assumed grade 9 will be opened in the first year, with subsequent grades added each year for the following three years. Additional layers of conservatism in our financial modeling include the assumption that enrolment will be 90% of maximum capacity for the first four years (59 students per grade). As a data point, KCS graduates up to 42 students from grade 8 annually. In addition, our market research of parents and students currently not enrolled at KCS indicate there is significant interest in the Senior School.
- **Negative perception around a smaller campus.** Many parents and students have been accustomed to schools having a large campus. The perception is that since the tuition for independent and private schools are high then the school should have a campus that offers a diverse range of activities. While the point has some validity, the following factors are important to consider:
  - The proposed KCS Senior School model will allow students to participate in all the activities found in schools with larger campuses and more since the City will be used as our campus. In fact, the students will have the opportunity to use leading facilities for their learning and activities e.g. sports facilities for physical education.
  - KCS has already demonstrated its ability to use external resources successfully. At the junior school, KCS makes great use of community resources already e.g. Centennial Park, Humbertown Park, Montgomery Pool, HoopDome, etc.

- Large, school-owned facilities and campuses contribute to the steep cost of many independent schools. Funded solely by tuition and donations, independent schools must dedicate revenue toward staffing and maintenance. The larger the facility and grounds, the greater the expense for maintaining them. The KCS Senior School will include a facility with ample space for a quality program, but notably less than most other independent secondary schools, thus reducing costs for staffing and maintenance. We believe this is a responsible step forward in independent schooling.
- Responsible use of our environment has become an urgent issue. While there are conveniences in having a large facility and campus, it is more responsible to use facilities that have already been built, serve larger populations than our own, and that are readily available for our use during the school day. Building more than we need is using natural resources unnecessarily.

With a smaller footprint and Toronto as our campus, the KCS Senior School will be able to provide their students with an education experience similar to, or exceeding, other leading independent secondary schools without the financial and environmental impact of a large campus.

- **Concerns with sending children to a new secondary school.** As expected, some parents will be apprehensive about sending their children to a new division of our school because of concerns around the program being unproven, university acceptance possibility, and lack of an alumni database. The KCS team has maintained the same rigor in the research and development of the KCS Senior School as it has with respect to policy, practices, community-building and communication in the Junior School.
- Pioneering schools are proving that the model we are pursuing is successful on measures of enrolment, parent and student satisfaction, and student success in university admissions and beyond.
- The KCS Junior School is already engaging in a number of progressive practices e.g. entrepreneurship and project based learning. The programs are attractive among students, effective for learning, and mission-consistent. KCS will extend these progressive learning practices to the Senior School.

- Part of the students' experience will also align with the more traditional practices that remain common in secondary education. Students will be able to earn all their mandatory and elective credits at this school. Courses will be designed so they qualify for required credits. A notable collection of optional courses will support students who seek to pursue sciences, technology, the arts, humanities and business. These will be delivered by excellent teachers who will challenge and inspire their students.
- **Inspections will only occur after KCS Senior School is open.** KCS Senior School will begin to undergo regular inspections from the Ministry of Education after the school has been opened. The school is aware of the requirements to pass inspections and have had these requirements in mind while developing the senior school model. Curriculum is being developed and KCS has engaged with the Ministry of Education to verify some of the more distinct elements of our program. KCS is confident that although the model being proposed is unique in Ontario, every aspect of the KCS Senior School model is compliant with the Ministry requirements. Since KCS is CAIS-accredited, the Senior School will also be CAIS-accredited. KCS will undergo its next CAIS accreditation in 2024.
- **Concerns about university admissions.** With a new senior school, some parents may have concerns about university admissions for students graduating in the first few years of operations. KCS recognizes that these concerns are valid and has undertaken a number of steps to alleviate concerns about university admissions including the following: (i) developing a curriculum that exceeds the Ministry's requirements, (ii) developing a program that better prepares students for independent success and university, (iii) Andrea will have discussions in 2021 with university admission offices to inform them of the breadth and depth of the student learning experience at KCS Senior School, and (iv) hiring a guidance counselor to support course selection and university admissions. We are confident that the program and opportunities for students at KCS Senior School will prepare them for the admissions process and success at universities in Canada and globally.

- **Cost overruns.** As with any project that requires construction, there is a risk of development costs running over budget. However, we have the experience and expertise to help inform different build-out approaches. We have a strong project team, many experts as part of our network, and a healthy contingency budget. We have allocated a 20% contingency that totals approximately \$0.5 million, which provides the project room to cover unanticipated costs or overruns.

## Conclusion

KCS is excited to establish the only CAIS-accredited co-ed independent secondary school in Toronto's west end. As outlined in this business plan, over the past three years, KCS has undertaken an intense and rigorous research process to (i) evaluate the market and competing models, (ii) develop a school model that will better prepare students for post-secondary education and their careers, and (iii) identify and purchase a facility that will support a distinctly valuable learning experience. The KCS Senior School will offer quality education with a responsible mix of traditional, specialized and innovative programming to prepare the students for a changing economy. We believe that in partnership with the KCS admin, staff, and students, Board of Governors, parent community, financing partners and the external community, KCS will establish a senior school that will be a leader in the community and beyond.





## APPENDIX A

### *KCS Corporate Information*

<b>Name of the Corporation:</b>	St. George's (Islington) Church Nursery School Inc.
<b>Date of Incorporation:</b>	1989
<b>Head Office Address:</b>	4600 Dundas St W, Etobicoke, ON M9A 1A5
<b>Auditors:</b>	Ernst & Young
<b>Fiscal Year End:</b>	June 30 <sup>th</sup>

## APPENDIX B

### ***Path: Where Students Exercise Leadership in their Learning***

Path is a program designed to develop students as intrinsically motivated, creative, and impactful learners and leaders. Beginning in grade 9 and extending through to grade 12, students will be given time and support to pursue learning in areas of interest or passion. This learning will earn them a credit in Interdisciplinary Studies at the end of grade 11. Grade 12 engagement with Path will include guidance in pursuing post-secondary options.

Features of the program include:

1. Learning about their chosen topic from an academic, artistic, athletic, and citizenship perspective, documented in a dedicated e-portfolio
2. Learning related to their chosen topic through off site experiences, local or global
3. The invitation for students to weave their topic into course assignments and projects where the topic fits and serves to enhance the quality of their work
4. Learning about entrepreneurship and creative problem-solving, and engaging in these as exercises that bring positive impact
5. Engaging with a dedicated Mentor who has expertise in the student's area of interest
6. Annual presentations of learning in front of faculty, peers, and Mentors
7. A capstone project in grade 11 that is a creative application of their learning and that brings real value to others
8. An extended essay that describes their three-year experience in Path, reflections on how they have grown as learners and leaders, and the factors that led to their creative capstone

## APPENDIX C

### ***Derek Logan - Bio***

Derek Logan completed a Bachelor of Arts in Political Science and History (McMaster University), a Master of Arts in War Studies (University of London); and a Bachelor of Education (University of Toronto). He is a graduate from the Canadian Accredited Independent Schools (CAIS) Leadership Institute (2004). Derek began his teaching career at Turnbull School in Ottawa, and has been an educator and administrator at Kingsway College School in Etobicoke (just outside of Toronto) since September 1999. His most recent role as Head of School began in December 2007.

Derek taught a module at the CAIS Summer Leadership Institute entitled Encouraging Dialogue: Mental Health and Our Schools. In January 2012, his school held an information night on mental health that helped to change the dialogue for many individuals in his school community on this topic. The organization of that event and what happened following was the most rewarding experience that he has been involved in during his twenty plus years in education. While he sees building new facilities, raising money for his school, and high enrollment as terrific accomplishments, in his words, “helping children and their families stare down the stigma of a mental health diagnosis is something truly rewarding.”

Derek has spoken about mental health at various conferences, workshops and schools. Derek has been happily married to Heather for the past 26 years. His daughter, Alyssa, is finishing up her undergraduate degree at Guelph University, and his son, Brandon, is in his second year at McMaster University.

### ***Andrea Fanjoy - Bio***

Andrea completed her Bachelor of Science degree at Dalhousie University in 1987, with a major in psychology and minor in French. Subsequent years included a year studying French at the University of Strasbourg, France and completing her Bachelor of Education at the University of Ottawa. She completed her Master of Arts (Education Administration) at the University of Ottawa in 1999 and the Canadian Accredited Independent Schools' Leadership Institute in 2016.

Since beginning her career in 1989, Andrea has taught students from pre-school to high school at public and independent schools in Japan, Ottawa, and Toronto. She has served the KCS community as a teacher and senior administrator for the last 19 years. Recently announced as the Head of Senior School, Andrea is playing a lead role, working with the KCS Head of School Derek Logan, senior administration, the Board of Governors, and a large team of parents and staff, to make the KCS Senior School a reality.

Education, and realizing the potential in children and youth, are her evident lifelong passions. Her favourite moments are when students approach her with big ideas, leadership projects, business proposals, and ways to make KCS better. Supporting everything from grade 2 student-led dance parties to students building rocket launchers from scratch have helped fill her days.



## **APPENDIX D**

### ***Financial Statement***



## Join the Journey. Invest in the KCS Senior School.

For more information on the KCS Senior School Campaign, please contact Hallie at [hmccllland@kcs.on.ca](mailto:hmccllland@kcs.on.ca) or go to [kcscampaign.ca](http://kcscampaign.ca)