

# **BUSINESS PLAN**

**Adventure Code, Inc.**

[www.adventurecode.net](http://www.adventurecode.net)



**Rebecca Graham, Owner**

**November 25, 2015**

# **1. EXECUTIVE SUMMARY**

## **1.1 Product**

Adventure Code is a small woman-owned business founded in 2014 to provide convenient, affordable, and rigorous computer science education to elementary school children.

We provide after-school lessons that teach kids fundamental computational concepts and practices. Kids code their own video games, animations, and interactive stories and learn that they can CREATE with technology.

## **1.2 Customers**

Adventure Code's target customers are elementary school students in the Northern Virginia area.

## **1.3 What Drives Us**

The goal of Adventure Code is to provide affordable, fun, convenient, and rigorous education in computer science to elementary school children in the Northern Virginia area. We believe that literacy in computer science is an essential skill for today's students. We believe that getting kids started early in computer science boosts confidence, fosters interest in computer science and other STEM subjects, and develops logical thinking and problem-solving skills.

As a woman working in the field of computer science, Rebecca Graham was dismayed at the stark gender gap in her field, where women represent only about 12% of the technical workforce. Rebecca started Adventure Code in 2014 as a small step towards closing that gender gap.

Although Adventure Code lessons are open to any interested student, it is our hope that our lessons will help overcome social stereotypes of computer science as a “white male” field, and help create a new generation of coders that better represent our society, with proportionate participation from all genders and ethnicities. This diversity will also improve society as a whole by allowing a wider variety of people and perspectives to shape technology and fill the growing shortage of skilled technical workers.

Adventure Code is currently emerging from a proof of concept stage into a growth and expansion stage. We are currently offering classes in one school in Prince William County, VA. That school is on its second school year of offering Adventure Code classes and in that time has grown from one course offering to three.

These first two years of Adventure Code operation were about proof of concept and building a base of course offerings. Based on the success of these first two years, we plan to expand to other schools in Prince William County in the next school year (2016-2017) as well as expand our course offerings.

## 2. COMPANY DESCRIPTION

### 2.1 Mission Statement

Adventure Code is a small woman-owned business founded in 2014 to provide convenient, affordable, and rigorous computer science education to elementary school children. We provide after-school lessons that teach kids fundamental computational concepts and practices. Kids code their own video games, animations, and interactive stories and learn that they can CREATE with technology.

At Adventure Code, we believe that literacy in computer science is an essential skill for today's students. We believe that getting kids started early in computer science boosts confidence, fosters interest in computer science and other STEM subjects, and develops logical thinking and problem-solving skills.

While most of our schools offer instruction on computer use, this is not the same as computer science education. Most lessons in computer use are *training* our kids to *consume* technology rather than *educating* them to *create* with technology. Computer science is an exciting field. It is about solving problems, figuring out puzzles, and using logic and creativity to build things. Computer science can lead to some of the best-paying jobs available and gives people a way to innovate, express themselves, be creative, and make a difference in the world.

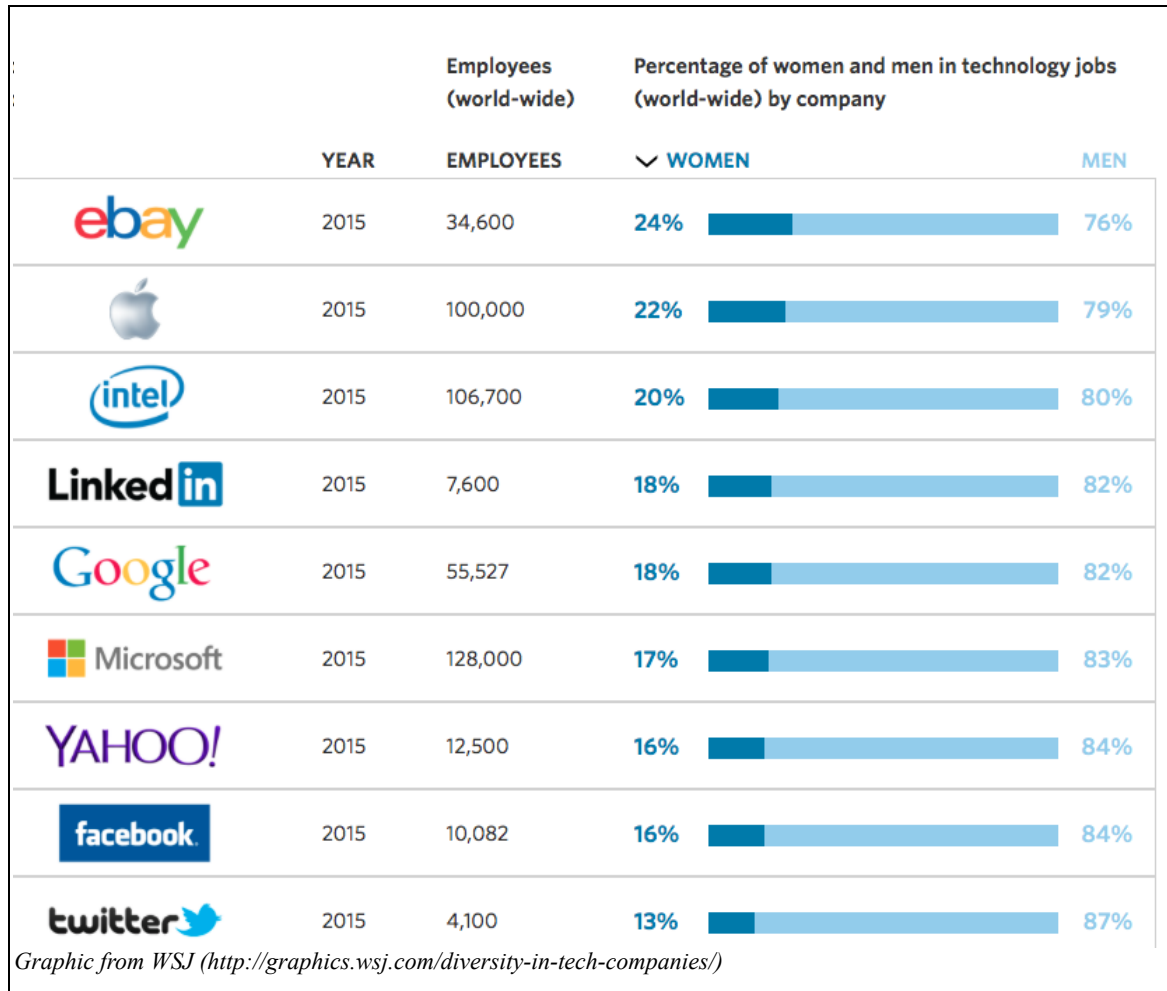
Unfortunately, only 10% of U.S. schools offer computer science education. This dearth of computer science education, coupled with the growth of the computing industry, is causing a significant shortage of computer scientists. The U.S. Department of Labor projects that by 2020, there will be 1.4 million computer specialist job openings and enough qualified graduates to fill only 29% of these jobs.

At Adventure Code, we are committed to giving kids the opportunity to get hooked on computer science, because computer science enables kids to participate in creating the technology that shapes our world. We focus on providing a fun, social atmosphere where kids learn at their own pace through exploration and play.

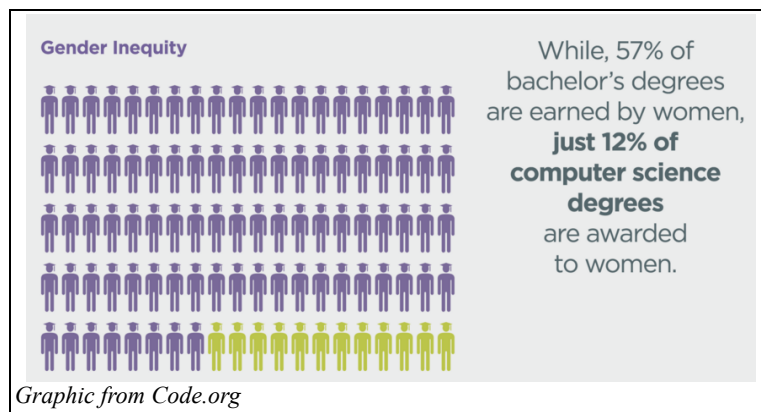
We strive to ensure that Adventure Code after-school programs are:

- **Convenient:** Classes occur immediately after school in the school computer lab so no commuting is necessary. This setup is especially easy for kids who are already attending after-school extended care and makes the program easy for kids who have working parents.
- **Affordable:** Costs do not exceed \$10 per hour. Period. We provide all materials and do not require kids to have computer access at home.
- **Rigorous:** Classes are delivered by current, certified elementary school teachers and the rigor of our curriculum consistently exceeds that of competitors or alternatives.
- **Inclusive:** We are mindful of pitfalls and stereotypes that commonly occur in the field of computer science education and we understand how they marginalize many students. We are mindful of representing different interests, learning styles, genders, and ethnicities in our program. We employ teachers from the students' school and involve volunteer assistant instructors from local high schools to ensure that our teaching staff reflects the community of the students.

The motivation for Rebecca Graham to start Adventure Code originated from her dissatisfaction about the lack of female representation in computer science. This gender gap is a prevalent topic in discussions about this field. For example, the chart below shows the recently released numbers on the representation of women at leading US technology companies:

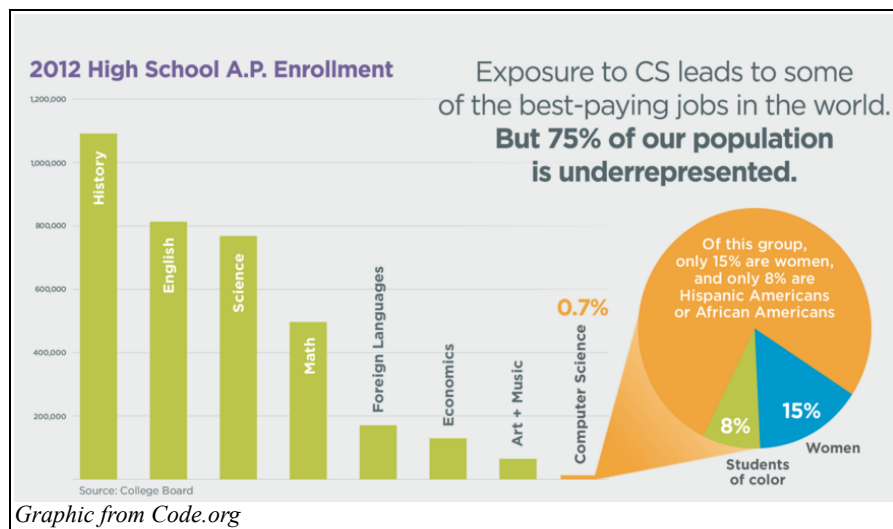


Many factors have been identified as contributing to this gender gap, however, the most repeated is the “pipeline problem.” This pipeline problem refers to the fact that there are so few women studying computer science in school that the pool of qualified candidates for computer science jobs is disproportionately male. The percentage of women earning computer science degrees has actually declined since the 1980s, even as the percentage of total undergrad degrees earned by women has increased.



So, why are so few women studying computer science? Many experts claim that girls and young women perceive computer science to be a “white male” field. They do not see women in computing roles and the field of computer science does not seem attractive to them. However, educators have shown that when kids start coding early, before this social conditioning sets in, the gender gap disappears. **For example, our lessons delivered to 3<sup>rd</sup> – 5<sup>th</sup> graders have had nearly equal gender representation with about 45% female students.** If girls can SEE themselves as coders and have confidence in their ability to create with code and enjoy coding, they are more likely to have the desire and confidence to pursue coding in the future.

In addition to our high representation of female students, our program is also addressing the gender gap through our employment of three women as our inaugural instructors at Adventure Code. These women are professional educators who had no experience with computer science prior to working for Adventure Code. We have also involved students from our local high schools as volunteer instructors to help out in the classes. These volunteers have been majority female as well. We hope that by making computer science accessible and fun for these students, educators, and volunteers, we can contribute to closing the gender gap and shift towards a future where female computer scientists are the norm, not a rarity.



Alongside this gender gap, the field of computer science also has a lack of ethnic diversity, being overwhelmingly populated by white males. We see this ethnicity gap disappear as well when offering

computer science at the elementary school level. Both our students and our assistant instructors from local high schools have been reflective of the diversity of our community.

Although Adventure Code lessons are open to any interested student, it is our hope that our lessons will help overcome social stereotypes of computer science as a “white male” field, and help create a new generation of coders that better represent our society, with proportionate participation from all genders and ethnicities. This diversity will also improve society as a whole by allowing a wider variety of people and perspectives to shape technology and fill the growing shortage of skilled technical workers.

## **2.2 Principal Members**

### **Rebecca Graham, Owner / President**

Rebecca Graham has a BS in Computer Science from the University of Mary Washington and 7 years of experience working in the field of computer science as a software engineer.

Rebecca started Adventure Code in 2014 out of a desire to create more opportunities for computer science education for kids in her community and with the goal of helping to close the gender and ethnicity gaps present in the field of computer science. Rebecca runs the current Adventure Code offerings, handling student signup, tuition payment, and creation of course materials. She also handles teacher recruitment, training, hiring, and payroll. She maintains the website and all customer-facing materials. She also conducts research and development on future course offerings. She assists in the classroom on a regular basis and loves helping the kids and seeing what they can create with code.

### **Chris DuBois, Business Development Manager**

Chris DuBois has a BA in Foreign Affairs from the University of Virginia and completed Virginia requirements for teacher licensure at the University of Mary Washington. Chris is certified to teach both Social Sciences and Gifted Education, and has 6 years of experience as the Gifted Education Resource teacher at Gar-Field Senior High School in Woodbridge, VA.

Chris is focused on business growth in the 2016-2017 academic year, leveraging his contacts in the school system to attract new schools to adopt the program. Chris also reviews all curriculum materials and provides quality control.

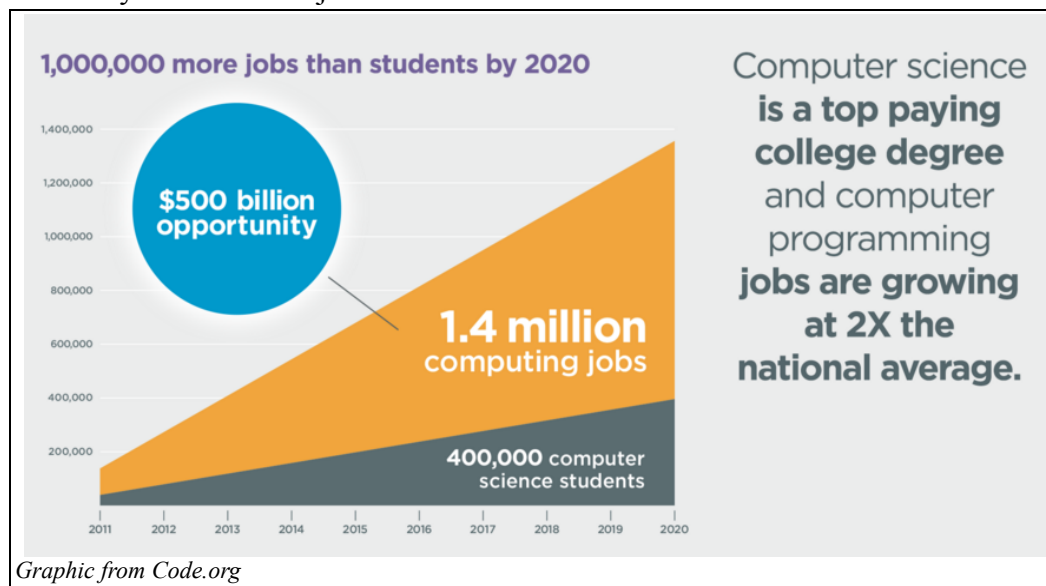
## **2.3 Legal Structure**

Adventure Code is a C-class Corporation registered in the state of Virginia.

## 3. MARKET RESEARCH

### 3.1 Industry

It is an exciting time for kids' computer science education! Leaders in tech, government, entertainment, and education have all stepped forward, advocating for early and wide-spread access to computer science education for US kids. This call to action is largely spurred by the shortage of skilled workers to fill jobs in the field of computer science. Currently, only 10% of U.S. schools offer computer science education. This dearth of computer science education, coupled with the growth of the computing industry, is causing a significant shortage of computer scientists. The U.S. Department of Labor projects that by 2020, there will be 1.4 million computer specialist job openings and enough qualified graduates to fill only 29% of these jobs.



Much of the recent activity and discussion about this shortage is focused on closing the gender and ethnicity gaps in the computer science field. These job shortages would be easier to fill if the industry was tapping into the WHOLE population, rather than primarily white males.

There is a majority consensus about the *need* for computer science education for kids but not a clear path on how to fill that need. Newly formed nonprofit organizations like Black Girls Code, CodeNow, and Girls Who Code, provide free or low cost computer science education to underserved groups. These organizations provide excellent and much-needed services, however, they are not available to the majority of kids.

Another non-profit called Code.org is tackling the institution of education in our country, advocating to have computer science added to the core curriculum being taught in all public schools. Code.org also provides access to free materials to teach kids coding. In fact, there are a number of other sites that provide free coding resources geared towards kids, some of which are quite good. However, they do not provide structured or guided *instruction*. They simply make this material available for kids to use on their own.

There are some existing commercial organizations that provide instruction for kids in an after-school format. These organizations are discussed in more detail in section 3.3 below. These organizations are not nearly wide-spread enough to offer services to most kids. For instance, none of these groups provide after-school computer science education in Prince William County, VA, where Adventure Code currently operates. These organizations also tend to have tuition costs that are prohibitive for many families, with prices commonly ranging from \$20-\$40 per hour.

## **3.2 Customers**

The target customer of Adventure Code are students in public elementary schools. Many are deeply interested in creative video gaming, such as Minecraft or other digital art formats. However, their parents do not have the expertise or time to transform this interest into actual learning and exploration. Parents may be busy so the convenience of the timing and location of Adventure Code lessons is key.

## **3.3 Competitors**

Possible competition for Adventure Code lessons exists in two forms:

### ***Free online materials and tools***

There are many free resources available online to help kids learn coding. These include Scratch, CodeAcademy, Code.org, Google's Made With Code, and many more. These tools are an excellent resource, however, they are no substitute for guided instruction. Many children (and many adults for that matter) do not have the discipline and knowledge to complete self-guided, solo-learning experiences. While these tools are excellent resources, they need to be accompanied by professional instruction to truly benefit the majority of students.

### ***Commercial organizations similar to Adventure Code***

There are currently no commercial organizations that offer similar services to Adventure Code and operate in the same area of Prince William County, VA. However, there are few organization similar to Adventure Code operating in the larger Northern VA area. Nationwide, there seems to be a concentration of similar services on the West coast, particularly in the Seattle area. These competitors are described in more detail in the following section.

## **3.4 Competitive Advantage**

Our competitive advantage lies in our guiding principles, which set us apart from the competition:

### ***Convenience***

Classes occur immediately after school in the school computer lab so no commuting is necessary. This setup is especially easy for kids who are already attending after-school extended care and makes the program easy for kids who have working parents.

### ***Affordability***

Costs do not exceed \$10 per hour. Period. We provide all materials and do not require kids to have computer access at home. This pricing sets us apart from the competition as shown in the table below.



Organization	Area	Price per hour	Description
<b>C3 Cyber Club</b> ( <a href="http://www.c3cyberclub.com">http://www.c3cyberclub.com</a> )	Fairfax County, VA	\$29-\$38	C3 Cyber Club provides after-school coding lessons in the school building, similar to Adventure Code. However, these programs are smaller in scope, only one day a week and do not employ certified teachers.
<b>Mindframe Education</b> ( <a href="http://mindframeeducation.com">http://mindframeeducation.com</a> )	Ashburn, VA	\$23-\$18	Mindframe Education center transports kids from their school to a learning center where they study a variety of STEAM (science, technology, engineering, art, and math) subjects, on a rotating weekly schedule. Payment structure is a monthly membership fee.
<b>CodeRevKids</b> ( <a href="https://www.coderevkids.com">https://www.coderevkids.com</a> )	Santa Monica, CA	\$23-\$14	CodeRevKids transports kids from their school to a learning center where they study a variety of STEAM (science, technology, engineering, art, and math) subjects, on a rotating weekly schedule. Payment structure is a monthly membership fee.
<b>Techventure Kids</b> ( <a href="http://techventurekids.org">http://techventurekids.org</a> )	Issaquah, WA	\$19.00	Techventure Kids provides after-school coding lessons in the school building, similar to Adventure Code. However, these programs are smaller in scope, only one day a week and do not employ certified teachers.
<b>Coding With Kids</b> ( <a href="https://www.codingwithkids.com">https://www.codingwithkids.com</a> )	Redmond, WA	\$19.00	Coding With Kids provides after-school coding lessons in the school building, similar to Adventure Code. However, these programs are smaller in scope, only one day a week and do not employ certified teachers.
<b>Creative Coding 4 Kids</b> ( <a href="http://www.creativecoding4kids.com">http://www.creativecoding4kids.com</a> )	Seattle, WA	\$28.00	Creative Coding 4 Kids provides after-school coding lessons in the school building, similar to Adventure Code. However, these programs are smaller in scope, only one day a week and do not employ certified teachers.

**Rigor:**

- **Current, certified teachers:** perhaps the quality that most sets us apart. The impact of hiring current, certified teachers as our instructors cannot be overstated. These teachers are professional educators, with classroom management skills and an understanding of current best-practices in the field of education. They know what the kids are learning in their classroom curriculum and can make key connections between the Adventure Code lessons and that curriculum. They know the kids, or they know the teachers who DO know the kids. This personal knowledge of the students and the school/community environment helps them better support the students, tailor instruction, and ensure effective learning.

- **Rigorous curriculum:** the rigor of our curriculum consistently exceeds that of competitors. Most of the tools, resources, and workshops that are offered to teach computer science to kids are geared towards simply giving them *exposure* to computer science. By contrast, we educate the kids in foundational computer science concepts and practices. We achieve this by using lesson plans developed by professional educators and by offering far more instructional time than our competitors do. For instance, other providers who offer “Intro to Scratch” lessons generally use an 8 hour model, while we use a 25 hour model. This rigorous curriculum paired with our certified and experienced instructors creates a superior learning experience.

The quality and value of our services is acknowledged by the overwhelmingly positive reviews we have gotten from parents and students of the program. A sample of reviews is listed below:

“I was thrilled that you were able to offer this class this year. I like that it was directly after school and two days in a row for 10 weeks. The time frame for learning and the ability to practice what was learned at home was key. This was a great building block for future coding.”

- *parent of 4th grader*

“I love having the students make the presentations at the end. I think it is great to have the class 2 days a week. I love how diverse the final projects were using all different kinds of techniques. It is cool that you had the area HS students help out.”

- *parent of 5th grader*

“I like how this program gave kids the opportunity of exploring their imagination and the potential to express their ideas on a computer program. Keep doing what you're doing. Good job. I love it.”

- *parent of 4th grader*

“Loved it! Introduces the kids to programming in a very fun way!!”

- *parent of 3rd grader*

“I like how we got to learn how to make animations and games! Creating is within our power. Not magic! Thank you!”

- *5th grade student*

“I liked learning to make a game and hanging out with my friends.”

- *3rd grade student*

“I really liked coding the projects, especially the maze and the pong games.”

- *4th grade student*

“I was very excited and interested in the program.”

- *4rd grade student*

### 3.5 Regulation

A million dollar general liability policy is required to operate in school buildings in the Prince William County Public School system. Background checks for all employees are not required but are a best practice.

## 4. PRODUCT/SERVICE LINE

### 4.1 Product or Service

Our current programs target grades 3-5. These programs include:

#### ***“Creative Computing with Scratch”***

a 10-week (25 hours total) program introducing students to programming through a graphical programming language called Scratch. Kids learn the fundamentals of computational thinking and finish out the program by developing a personal project, which they present to peers, parents, and teachers on the last night of class.

#### ***“Websites with HTML/CSS”***

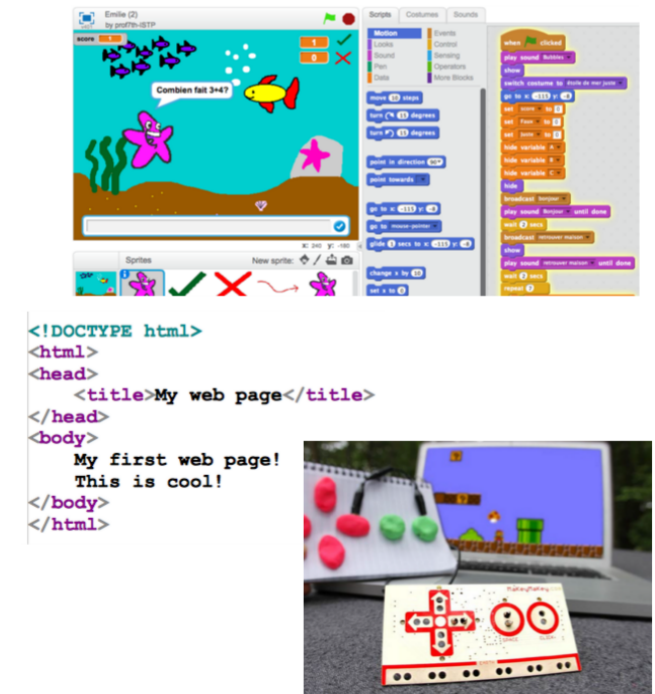
a 3-week (7.5 hours total) class in HTML/CSS in which kids build their own web pages. Kids learn the basics of how the internet works as well as best practices surrounding internet privacy and safety.

#### ***“Inventing with MakeyMakey”***

(Prerequisite: “Creative Computing with Scratch”)

a 3-week (7.5 hours total) class in which kids use an innovative circuit board kit called MakeyMakey to wire up their Scratch programs into their own creative inventions. We use an assortment of every day items as conductive material to create circuits with the

MakeyMakey (play-dough, clay, pipe-cleaners, aluminum foil, fruits and veggies, people, pencil lines, and more!) This program is designed for students who have completed the “Creative Computing with Scratch” program.



Future offerings include programming with a language called Python, mobile app development for Android devices, Minecraft Mods, electrical prototyping, and robotics construction and programming with Lego Mindstorms.

### 4.2 Pricing Structure

Our pricing structure is a straightforward \$10 per hour for all classes. This pricing is significantly lower than our competitors pricing, typically between half and one quarter of what others charge.

**Costs for 25 hour Introductory Scratch Program**

\$1,100.50 Lead Instructor Pay  
 \$669.90 Assistant Instructor Pay  
 \$50.00 Class Materials

\$1,820.40 Total Costs

\$250.00 Tuition rate per student

Enrollment	Cost per student	Profit per student	Revenue	Profit
14	\$130.03	\$119.97	\$3,500.00	\$1,679.60
15	\$121.36	\$128.64	\$3,750.00	\$1,679.60
16	\$113.78	\$136.23	\$4,000.00	\$2,179.60 ← minimum enrollment
17	\$107.08	\$142.92	\$4,250.00	\$2,429.60
18	\$101.13	\$148.87	\$4,500.00	\$2,679.60
19	\$95.81	\$154.19	\$4,750.00	\$2,929.60
20	\$95.81	\$154.19	\$5,000.00	\$3,179.60
21	\$86.69	\$163.31	\$5,250.00	\$3,429.60
22	\$82.75	\$167.25	\$5,500.00	\$3,679.60
23	\$79.15	\$170.85	\$5,750.00	\$3,929.60 ← estimated enrollment
24	\$75.85	\$174.15	\$6,000.00	\$4,179.60
25	\$72.82	\$177.18	\$6,250.00	\$4,429.60 ← maximum enrollment

The chart below shows the cost, fees, and profit for the 25 hour “Creative Computing with Scratch” program currently being offered:

The chart below shows the cost, fees, and profit for the 7.5 hour “Inventing with MakeyMakey” and “Websites with HTML/CSS” programs currently being offered:

**Costs for 7.5 hour MakeyMakey or HTML/CSS Program**

\$330.00 Lead Instructor  
 \$230.00 Assistant Instructor  
 \$50.00 Class materials

\$610.00 Total costs

\$75.00 Tuition rate per student

Enrollment	Cost per student	Profit per student	Revenue	Profit
14	\$43.57	\$31.43	\$1,050.00	\$440.00 ← minimum enrollment
15	\$40.67	\$34.33	\$1,125.00	\$440.00
16	\$38.13	\$36.88	\$1,200.00	\$590.00
17	\$35.88	\$39.12	\$1,275.00	\$665.00
18	\$33.89	\$41.11	\$1,350.00	\$740.00
19	\$32.11	\$42.89	\$1,425.00	\$815.00
20	\$32.11	\$42.89	\$1,500.00	\$890.00 ← estimated enrollment
21	\$29.05	\$45.95	\$1,575.00	\$965.00 ← maximum enrollment

## 4.3 Product/Service Life Cycle

Adventure Code is emerging from a proof of concept stage into a growth and expansion stage.

Adventure Code is actively offering classes in one school in Prince William County, VA. It is currently on its second school year of offering classes and in that time has grown from one course offering to three. These first two years were about proof of concept and building a base of course offerings. Based on the success of these first two years, we plan to expand to other schools in Prince William County in the next school year (2016-2017) as well as expand our course offerings by two more courses.

#### **4.4 Intellectual Property Rights**

Adventure Code owns its logo and website content. Adventure Code also owns curriculum guides (Intro to Web Development and Intro to Inventing) that were created by Rebecca Graham. Other education tools used in Adventure Code courses are open source.

#### **4.5 Research & Development**

Rebecca Graham is leveraging her years of experience in software engineering in researching and evaluating a number of topics and education tools to use in future Adventure Code programs. We are currently laying out a roadmap for integrating new offerings over the next coming years.

New offerings in the immediate future likely include programming with a language called Python, mobile app development for Android devices, Minecraft Mods, electrical prototyping, and robotics construction and programming with Lego Mindstorms.

## 5. MARKETING & SALES

### 5.1 Growth Strategy

Adventure Code growth strategy primarily centers on attracting new schools to host the program and on expanding program offerings at established schools.

We will attract new schools by reaching out directly to school administrators, teachers, and PTO members via phone, email, networking, and events.

- In the 2014-2015 school year, we were operating in one school and offering one program.
- In the 2015-2016 school year, we are operating in one school and offering three programs.
- In the 2017-2018 school year, we plan to expand into four additional schools with our introductory program.
- In the 2018-2019 school year, we plan to expand into five additional schools with our introductory program and gradually increase program offerings at established schools.
- We plan to roughly double our number of schools every year for the next 5 years and gradually increase program offerings at established schools.

A key element of our growth strategy is our ability to attract current, certified teachers to be our instructors. Not only do these teachers provide the instruction that makes the programs possible, they also become champions of the program at their school and can help us grow our business by recommending the program to their peers at other schools.

Before launching our first program, we interviewed several current, public school teachers in Prince William County VA, to get their thoughts on the program and gauge their interest. Each teacher we interviewed consistently told us two things:

1. They feel overburdened
2. They feel underpaid

These teachers told us that they are constantly being asked to take on more responsibility, usually with little or no extra pay. They were wary about signing up to teach Adventure Code programs because they worried that they would get stuck with overwhelming “prep” demands or administrative tasks.

These interviews told us that we need to compensate our teachers at a competitive rate and we need make the process of teaching an Adventure Code class as hassle-free as possible for them.

Standard pay for teachers to facilitate after-school clubs or teams in Prince William County is \$35. We pay \$50 per lesson plus a \$200 bonus when a teacher is teaching a program for the first time as compensation for the time required to familiarize him or herself with new material.

Typically, when sponsoring a school club, a teacher is responsible for all aspects of running the club, including scheduling, creating and distributing flyers, collecting registration and payment, and communication with parents. With Adventure Code programs, the administrative staff handles all details of running the program, so that the teachers can focus on what they do best, teaching!

Our strategy of competitive compensation and no-hassle setup has been well-received by teachers. Below is one of the reviews we received from an Adventure Code instructor:

“When my principal contacted me over the summer about teaching a computer coding class to third, fourth, and fifth graders, I almost laughed to myself. While I am pretty tech savvy, I know absolutely nothing about coding. However, I love a good challenge and told her I'd be more than happy to teach the class, although a little apprehensive about what that would entail. After the class began, I was so amazed at how simple it was to teach the class and how amazing the students were with the coding program. Like many teachers, I was very apprehensive about how much prep time I'd need for this class. We already have so much to do and I was nervous that I was adding more work to my plate. I was surprised to find that the prep time was maybe 10 minutes the morning of the class. Rebecca already had the pacing guide, curriculum plans, student logins and student handouts printed and organized for us. All it took for me before each class was 5 or 10 minutes reviewing the lesson plan, or maybe watching a video or looking at some examples provided. I was also never alone teaching the class. Volunteers were brought in to help so that I wasn't overwhelmed with questions. One of the coolest parts about this experience was that I was learning right along with my students. To be honest, they were teaching me things as they explored and figured out how to code on their own. I truly feel so blessed to have been part of this amazing experience this year and I am hoping to return and teach the course again next year.”

*-Erin Pastuzeck, 5<sup>th</sup> grade teacher, second year Adventure Code instructor*

## **5.2 Communication**

We will reach out to administrators, teachers, and PTO members of the target schools via email, phone calls, networking through existing customers, and attending conferences and other educational events.

## **5.3 Prospects**

Once a school has agreed to host the after-school lessons, we currently send paper fliers home with the kids with information about the program and a registration form. Parents register for the classes using the form and we collect tuition payment from them.

We plan to transfer this process largely online as we grow because online registration and payment is more scalable than paper methods. However, we will still make paper registration forms and payment readily available to accommodate families that may not have easy access to a computer or online payment methods.

## 6. FINANCIAL PROJECTIONS

### 6.1 Current Balance Sheet

The balance sheet below shows a current summary of Adventure Code assets, liabilities, and equity.

Balance Sheet	
Adventure Code Inc.	
As of: 2015-11-19	
Created 2015-11-19	
<b>Assets</b>	
Account	Balance
Bank	
Primary Business Checking	6,046.62
Total for Bank	6,046.62
Total Assets	6,046.62
<b>Liabilities</b>	
Account	Balance
Total Liabilities	0.00
<b>Equity</b>	
Account	Balance
Owner Investment / Drawings	2,218.61
Previous Year(s) Earnings	1,904.50
Current Year Earnings	1,923.51
Total equity	6,046.62
Total Liabilities and Equity	6,046.62

### 6.2 Year One Income Report (Actual Numbers)

The income report below shows Adventure Code's net profit for its first year of operation: the 2014-2015 academic school year. The reporting period starts with Adventure Code's launch in September of 2014 and ends with the conclusion of the academic school year in late June 2015.



Reporting period: 2014-09-01 to 2015-06-19	
Created 2015-11-25	
Revenue	
Accounts	
Payroll - Employee Payments Received	(563.34)
Sales	5,375.67
Total Revenue	4,812.33
Cost of Goods Sold (COGS)	
Accounts	
Merchant Account Fees	0.33
Class Materials	51.92
Total Cost of Goods Sold (COGS)	52.25
Gross Profit	4,760.08
Operating Expenses	
Accounts	
Computer - Software	83.67
Computer - Hosting	116.44
Bank Service Charges	24.00
Insurance - General Liability	259.47
Office Supplies	250.63
Payroll Services	54.00
Payroll - Salary & Wages	1,374.05
Taxes - Corporate Tax	431.31
Total Operating Expenses	2,593.57
Net Profit	2,166.51

## 6.2 Year Two Income Report (Partial Numbers)

The income report below shows Adventure Code's net profit for the 2015-2016 academic school year; its second year of operation. **Note that this income report is partial, only covering the first half of the academic school year.** Estimated net profit at the completion of this academic school year is \$4,750. The majority of this year's tuition payments will be collected in the months of January and February. Details of this estimate are shown in next section of this report.

Reporting period: 2015-06-20 to 2016-06-17	
Created 2015-11-25	
<b>Revenue</b>	
Accounts	
Sales	2,500.00
Total Revenue	2,500.00
<b>Cost of Goods Sold (COGS)</b>	
Accounts	
Class Materials	200.34
Total Cost of Goods Sold (COGS)	200.34
Gross Profit	2,299.66
<b>Operating Expenses</b>	
Accounts	
Computer – Software	45.03
Computer – Hosting	115.98
Insurance – General Liability	144.19
Office Supplies	94.57
Payroll Services	45.00
Payroll – Salary & Wages	157.00
Taxes – Corporate Tax	55.43
Total Operating Expenses	657.20
Net Profit	1,642.46

### 6.3 Year-Three Projected Income

The chart below shows our estimated profit broken down into academic school year. The projected numbers assume that we meet our stated growth goals, which are:

- In the 2014-2015 school year, we were operating in one school and offering one program.
- In the 2015-2016 school year, we are operating in one school and offering three programs.
- In the 2017-2018 school year, we plan to expand into four additional schools with our introductory program.
- In the 2018-2019 school year, we plan to expand into five additional schools with our introductory program and gradually increase program offerings at established schools.
- We plan to roughly double our number of schools every year for the next 5 years while gradually increase program offerings at established schools.

<b>Annual Overhead Costs</b>	
Payroll Service	\$60.00
Google Apps for Business	\$80.00
General Liability Insurance	\$350.00
Office Supplies	\$250.00
Internet hosting	\$120.00
VA Annual Corporation fee	\$100.00
<b>Total Annual Overhead Costs</b>	<b>\$960.00</b>
<b>Estimated Profit: 2014-2015 school year</b>	
One Scratch program	\$3,930.00
Teacher bonuses	-\$400.00
Total Profit From Programs	\$3,530.00
<b>Net Annual Profit (profit minus annual overhead)</b>	<b>\$2,570.00</b>
<b>Estimated Profit: 2015-2016 school year</b>	
One Scratch program	\$3,930.00
One MakeyMakey Program	\$890.00
One HTML/CSS Program	\$890.00
Teacher bonuses	\$0.00
Total Profit From Programs	\$5,710.00
<b>Net Annual Profit (profit minus annual overhead)</b>	<b>\$4,750.00</b>
<b>Estimated Profit: 2017-2018 school year</b>	
Five Scratch programs	\$19,650.00
Five MakeyMakey programs	\$4,450.00
One HTML/CSS Program	\$890.00
Teacher bonuses	-\$1,600.00
Total Profit From Programs	\$23,390.00
<b>Net Annual Profit (profit minus annual overhead)</b>	<b>\$22,430.00</b>
<b>Estimated Profit: 2018-2019 school year</b>	
Ten Scratch programs	\$39,300.00
Ten MakeyMakey Programs	\$8,900.00
Five HTML/CSS Programs	\$4,450.00
One Python Program	\$890.00
One Robotics Program	\$890.00
Teacher bonuses	-\$2,000.00
Total Profit From Programs	\$52,430.00
<b>Net Annual Profit (profit minus annual overhead)</b>	<b>\$51,470.00</b>

## 6.4 Uses for InnovateHer Prize Money

If Adventure Code is selected to receive prize money from the SBA InnovateHer challenge, we plan to use the prize money to grow our business in two ways:

1. Hire a professional marketing service to overhaul the materials on our website and the flyers we send home to parents. These materials were all created by someone with an engineering background rather than a marketing background and they need some professional marketing touches to better communicate our services to prospective customers.
2. Pay for Rebecca Graham and/or Chris DuBois to scale back their regular job hours for a time, enabling them to devote more time to growing the Adventure Code business. Business development activities such as attending networking events and meeting with school administrators and teachers are time-consuming endeavors and currently can be difficult to deconflict with Rebecca and Chris's regular job commitments.