

Financing— Proforma Examples

Kidango—Break Even Analysis of Toddler and Preschool Care

KIDANGO

Break Even Analysis of Toddler and Preschool Care

Cost

Assumes 11 hours of operation for 246 days per year
Assumes 100% enrolled for subsidized and 88% full on voucher/full fee
Staff to child ratios meet Title 5 and NAEYC Accreditation standards
Assume 48 preschool
Assume 8 Toddlers
Assume 2 Classrooms/areas

If a fraction, round teacher up and aide down.
Registration Fee on Full fee

Revenue:		TOTAL CAPACITY	56	
State Reimbursement at \$28.14 X 24 children X 246 days -13% vacancy*) =	times	33 subsidized preschool children		\$228,440.52
Full fee and Voucher Revenue at		15 w/ one vacancy		\$162,000.00
State Reimbursement at \$39.40 times		4 subsidized toddler		\$38,769.60
Full fee and Voucher Revenue at	\$1,100	4 full fee	toddler	\$47,520.00
Child Care Food Program Revenue for breakfast, lunch and one snack			w/one vacancy	\$2,296.00
Registration Fees and Misc other revenue (fund raisers)			Total children-10%	\$3,000.00
TOTAL REVENUES EXCLUDING IN-KIND				\$482,026.12

Expenses	based on 2056 days of work/holiday pay		(257 paid days)	
Personnel				
Preschool				
1 CD	\$21.00			\$43,176.00
2.5 Teacher	\$16.00			\$82,240.00
2.5 Aide	\$11.00			\$56,540.00
Toddler				
0 CD	\$21.00			\$0.00
1 HT	\$19.00			\$39,064.00
0.5 Teacher	\$16.00			\$16,448.00
0.5 Aide	\$11.00			\$11,308.00
7.5 TOTAL PERSONNEL				\$248,776.00
Fringe Benefits legally mandated at 18% (FICA/WC/UE)				\$44,779.68
Medical/Dental/Child Care Cafeteria Plan Benefit \$450 per month per staff	benefits	\$280		\$25,200.00
TOTAL BENEFITS				\$69,979.68

Supplies				
Classroom	\$5 per child	per month		\$3,360.00
Office supplies	\$2 per child	per month		\$1,344.00
Maintenance Supplies	\$2 per child	per month		\$1,344.00
Books, publications and subscriptions	\$1.00 per child	per month		\$672.00
Food and Food Preparation costs	\$3.50 per child	per month		\$2,352.00
TOTAL SUPPLIES				\$9,072.00

Operating Services				
Staff Coverage for Site Director vacation/sick/conference/training 26.50 days per year @ \$29/hour			\$25/hr	\$5,300.00
Substitute/Temporaries	26.5 days	\$20 per hour		\$2,750.00
Consultants	\$200 per staff			\$1,500.00
Computer and internet expense	\$35 per month per classroom			\$840.00
Audit	0.33% of revenue			\$1,590.69
Payroll Services	\$3.50 per person per payroll			\$1,260.00
Staff Development, Conferences, Other training		\$200 per staff		\$1,500.00
CPR/First Aide	\$100 per person			\$750.00
Fingerprint and other misc costs of permits, etc.	TB, physicals, etc		\$250 per person	\$1,875.00
TOTAL OPERATING SERVICES:				\$42,175.69

Occupancy Expenses				
Rent/Mortgage			*4	\$0.00
Telephone 2 lines	\$100 month			\$2,400.00
Utilities, garbage, etc.	\$200			\$11,200.00
Security and Fire Alarm System Monitoring	Pest Control @\$50/month		\$250 per month/classroom	\$6,000.00
Repair/Maintenance: e.g. toilet repair, locks, sinks, etc.			\$250 per month/classroom	\$6,000.00
First Aide and Earthquake supplies	\$1 per child			\$672.00
License fees, fire inspection and misc other fees to government			\$400 per classroom	\$800.00
TOTAL OCCUPANCY:				\$27,072.00

Administrative Expenses				
Administrative and Support Costs. Includes Regional Directors, mental health		10%		\$38,562.09
Advertising and printing for staff and child recruitment, etc.			\$2 per month	\$127.00
Equipment and Equipment Repair Contracts			\$1 per month	\$762.00
(cd players, tape recorders, computers, fax and copy machines)				
Total Administrative and Support				\$39,451.09
Depreciation expense	\$60,000 per classroom	over	5 years *5+7	\$24,000.00
GRAND TOTAL OF EXPENSES				\$460,526.46

2% Reserve necessary for cash flow and emergency expenses				\$9,640.52
NET SURPLUS/DEFICIT				\$11,859.14

*Notes:

- Personnel Costs based on average at Kidango by position
- Based on Current Salaries and substitutes from temporary services
- Costs are current year for Kidango averaged over 50 centers

The budget needs to be adjusted for 1/2 time positions.

- The requirement per classroom is about 1,000 sq. ft
- The depreciation of equipment assumes the agency has a grant for the cost of start up equipment. Does not include supply start up cost.
- 2% is used for reserve for cash flow and emergencies. Most school districts use 4%
- Includes Depreciation which is a non-cash transaction.
- Note staffing pattern is the minimum required of Title 5 and exceeds Title 22.

Even at a modest \$0.75 per sq ft for two classrooms the rent would be \$18K per year

*6

LACDC—Facilities Development Proforma

Child Care Provider TBD

DEVELOPMENT DESCRIPTION		
Construction Type	New construction, Rehab	Rehab
Building Area	Classroom Area (sq.ft.)	0
	Administration Area (sq.ft.)	0
	Common Area (sq.ft.)	0
	Total Building Area (sq.ft.)	0
	No. of Stories	0
Outside Space	Total Outside Area	0
Parking Spaces	Total Parking Spaces	0
	Total Parking Area (sq.ft.)	0
Site Area (sq.ft.)		0
Zoning		

OPERATING ASSUMPTIONS		
Inflation Rates	Expenses	4.00%
	Income	3.00%
Vacancy Rate		10.00%
Staff Salaries/Wages		
Administrative		
	1 Executive Director	\$ -
	1 Day Care Director	\$ -
	1 Office Manager	\$ -
	1 Cook	\$ -
	1 Administrative Assistant	\$ -
Teaching		
	1 Teachers(FT)	\$ - /hr
	1 Teachers (PT)	\$ - /hr
	1 Teacher Aides (FT)	\$ - /hr
	1 Teacher Aides (PT)	\$ - /hr
	Full-Time	40 hrs
	Part-Time	20 hrs
All Staff	Benefits (as % of salary)	15%

FINANCING ASSUMPTIONS		
Development Schedule	Predevelopment (months)	6
	Construction (months)	12
Acquisition Loan	Interest	0.00%
	Term (months)	0
	Points / Fees	\$0
	Loan to Value Ratio	0.00%
Predevelopment Loan	Interest	0.00%
	Term (months)	0
	Points / Fees	\$0
Construction Loan	Interest	9.00%
	Term (months)	12
	Points / Fees	1.50%
Permanent Loan	Interest (Yrs 1-10)	7.00%
	Interest (Yrs 11+)	7.00%
	Term (years)	20
	Points / Fees	1.00%
	Debt Coverage Ratio	1.20
Grants	Source 1	0
	Source 2	0

PROGRAM ASSUMPTIONS		
<u>Number of Seats</u>	<u>Adult-Child Ratio</u>	<u>Weekly Tuition</u>
Infant	0	\$140
Toddler	0	\$125
Pre-school	0	\$110
After-school	0	\$100
Total Number of Seats	0	
Annual Registration Fee per Seat	\$50	
Service Area		
Population Served		

Child Care Provider

TUITION	Overall Weekly Tuition	Parent Tuition		State Subsidy		County Subsidy		City Subsidy		Total	
		#Seats	Net Monthly Revenue/Seat	# Seats	Net Monthly Revenue/Seat	# Seats	Net Monthly Revenue/Seat	#Seats	Net Monthly Revenue/Seat	Total Seats	Total Mo. Revenue
Infant	\$140	0	\$0							0	\$0
Toddler	\$125	0	\$0							0	\$0
Pre-school	\$110	0	\$0							0	\$0
After-school	\$100	0	\$0							0	\$0
TOTAL			0		0		0		0	0	\$0

**Child Care Provider
Operating Budget**

REVENUES	
Parent Fees	\$ -
Registration Fees	\$ -
State Contract	\$ -
County Contract	\$ -
City Contract	\$ -
Less Vacancy	10.00% \$ -
Vendor Fees	\$ -
Foundation/Grant	\$ -
Donations	\$ -
Total Revenues	\$ -

EXPENSES	
Wages and Salaries	
Admin Staff	\$ -
Teaching Staff	\$ -
Taxes and Benefits	\$ -
Rent/Lease	\$ -
Repair & Maintenance (incl. waste removal)	\$ -
Insurance (Liability and Property)	\$ -
Educational Supplies	\$ -
Food Costs	\$ -
Advertising	\$ -
Professional Services	\$ -
Utilities	\$ -
Phone	\$ -
Depreciation	\$ -
Other	\$ -
Operating Reserve	\$ -
Total Expenses	\$ -
Net Gain (Loss)	\$ -

Child Care Provider

CASH FLOW ANALYSIS	Year	1	2	3	4	5	6	7	8	9	10
Revenue											
Parent Fees		0	0	0	0	0	0	0	0	0	0
Registration Fees		0	0	0	0	0	0	0	0	0	0
State Contract		0	0	0	0	0	0	0	0	0	0
County Contract		0	0	0	0	0	0	0	0	0	0
City Contract		0	0	0	0	0	0	0	0	0	0
Less Vacancy	10.00%	0	0	0	0	0	0	0	0	0	0
Vendor Fees		0	0	0	0	0	0	0	0	0	0
Foundation/Grant		0	0	0	0	0	0	0	0	0	0
Donations		0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		0	0	0	0	0	0	0	0	0	0
Expenses											
Wages and Salaries		0	0	0	0	0	0	0	0	0	0
Taxes and Benefits		0	0	0	0	0	0	0	0	0	0
Rent/Lease		0	0	0	0	0	0	0	0	0	0
Repair & Maintenance (incl. waste removal)		0	0	0	0	0	0	0	0	0	0
Insurance (Liability and Property)		0	0	0	0	0	0	0	0	0	0
Educational Supplies		0	0	0	0	0	0	0	0	0	0
Food Costs		0	0	0	0	0	0	0	0	0	0
Advertising		0	0	0	0	0	0	0	0	0	0
Professional Services		0	0	0	0	0	0	0	0	0	0
Utilities		0	0	0	0	0	0	0	0	0	0
Phone		0	0	0	0	0	0	0	0	0	0
Depreciation		0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		0	0	0	0	0	0	0	0	0	0
NET OPERATING INCOME		0	0	0	0	0	0	0	0	0	0
Less Debt Service		0	0	0	0	0	0	0	0	0	0
NET CASH FLOW		0	0	0	0	0	0	0	0	0	0
Debt Coverage Ratio		1.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Child Care Provider
Development Budget**

PERMANENT FINANCING	Total	Per Seat
Permanent Financing	\$ -	\$ -
Grants, Source 1	\$ -	\$ -
Grants, Source 2	\$ -	\$ -
Total	\$ -	\$ -

TOTAL DEVELOPMENT COSTS	Total	Per Seat
ACQUISITION		
Land	\$ -	\$ -
Building	\$ -	\$ -
Seller's Costs	\$ -	\$ -
Broker's Commission	\$ -	\$ -
Subtotal Acquisition	\$ -	\$ -
HARD COSTS		
Offsites	\$ -	\$ -
Site Preparation	\$ -	\$ -
Construction Costs	\$0.00	\$ -
Parking	\$ -	\$ -
Construction Contingency	0.00%	\$ -
Subtotal Construction Costs	\$ -	\$ -
SOFT COSTS		
Accounting	\$ -	\$ -
Acquisition Loan Interest & Fees	\$ -	\$ -
Appraisal	\$ -	\$ -
Arch/Eng - Design & Supervision	\$ -	\$ -
Arch/Eng - Reimburs & Add'l Services	\$ -	\$ -
Const Loan Fees & Expenses	\$ -	\$ -
Const Loan Interest	\$ -	\$ -
Construction Management	\$ -	\$ -
Consultants - Other	\$ -	\$ -
Deputy Inspector	\$ -	\$ -
Developer Fee	\$ -	\$ -
Environmental Audit	\$ -	\$ -
Furnishings	\$ -	\$ -
Holding Costs	\$ -	\$ -
Insurance	\$ -	\$ -
Legal - Organizational	\$ -	\$ -
Legal - Transaction	\$ -	\$ -
Marketing & Leasing	\$ -	\$ -
Organizational Costs	\$ -	\$ -
Perm Loan Fees & Expenses	1.00%	\$ -
Permits & Fees	\$ -	\$ -
Predev Loan Int & Fees	\$ -	\$ -
Real Estate Taxes	0.00%	\$ -
Relocation	\$ -	\$ -
Reserves - Operating	\$ -	\$ -
Reserves - Replacement	\$ -	\$ -
Reserves - Other	\$ -	\$ -
Soils Report	\$ -	\$ -
Start-up Costs	\$ -	\$ -
Survey	\$ -	\$ -
Title & Recording	\$ -	\$ -
Soft Cost Contingency	0.00%	\$ -
Subtotal Soft Costs	\$ -	\$ -
TOTAL DEVELOPMENT COSTS	\$ -	\$ -