



FOR THE LIFE OF YOUR BUSINESS

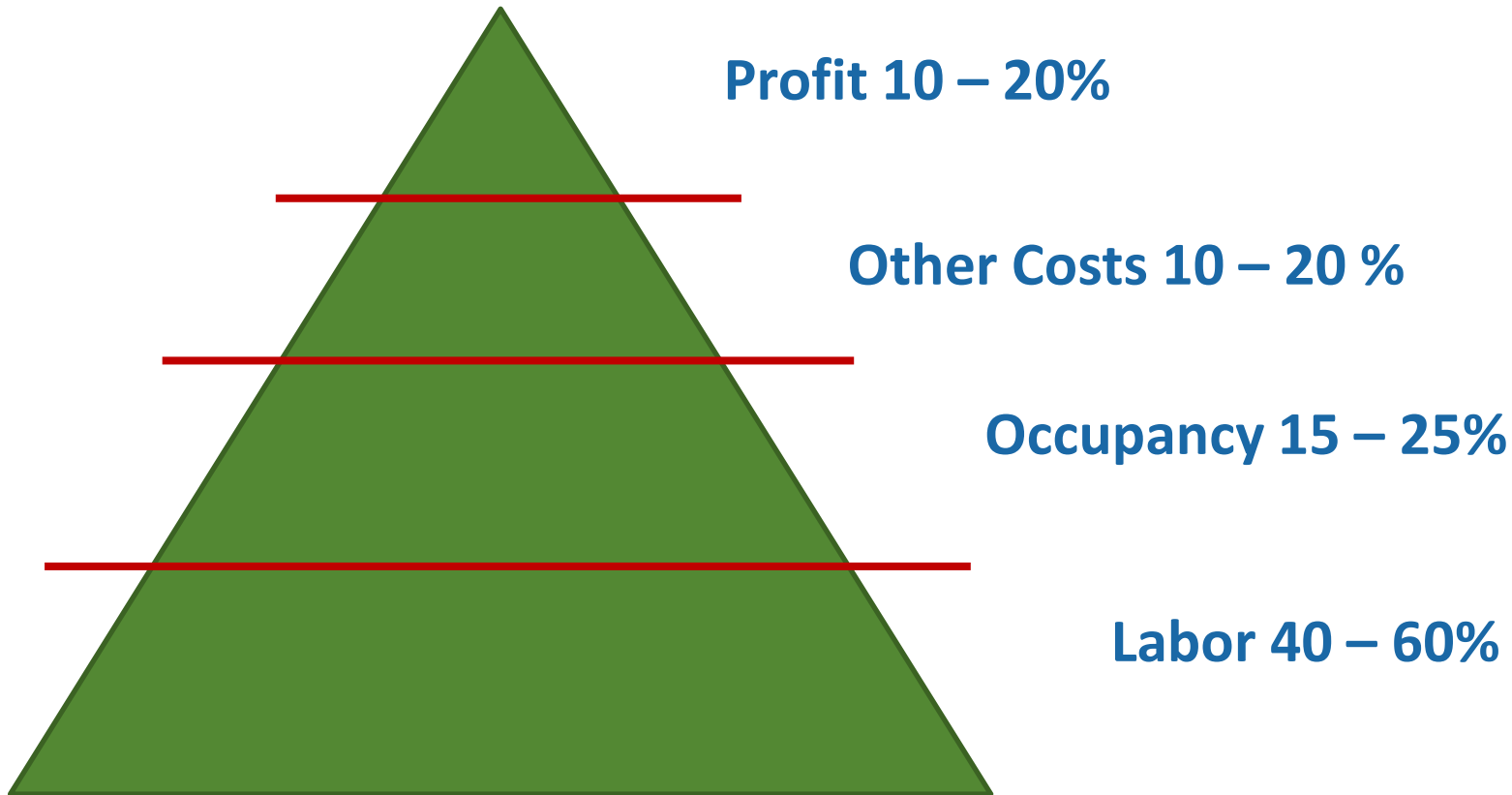
Maintaining a childcare center's sustainability

THE
BUSINESS & LEADERSHIP
INSTITUTE
for Early Learning

Focus of this session

- Addressing the increasing pressure on teacher compensation
 - Ongoing push in the labor market towards \$15/hr.
- Reviewing the impact of the two largest costs on a childcare center's profits – labor & occupancy costs
- Understanding their relationship to a center's profit
- Introducing a tool for calculating the impacts of your labor expense decisions
- Identifying business moves to maintain profits and center's sustainability

Childcare Center Rules of Thumb - % of Revenue



Quick Orientation Income Statement or Profit & Loss Statement (P&L)

| Profit & Loss Statement | | 12 Months | Totals |
|-------------------------|---|------------|----------------------|
| INCOME | | | |
| | Infants | \$ 30,744 | |
| | Toddler | \$ 34,452 | |
| | Twos | \$ 60,720 | |
| | Threes | \$ 67,620 | |
| | Fours | \$ 64,350 | |
| | Fives | \$ 69,118 | |
| | Other Classroom 1 | \$ - | |
| | Other Classroom 2 | \$ - | |
| | Afterschool | \$ 38,400 | |
| | Summer Camp | \$ 20,000 | |
| | Other Services 1 | \$ - | |
| | Other Services 2 | \$ - | |
| | USDA Food Program | | |
| | Registration Fees | | |
| | Other Fees or Income | | |
| | Total Revenue | | \$ 385,404 |
| EXPENSES | | | |
| Childcare | Childcare Supplies | \$ 3,000 | |
| | Food | | |
| | Program teacher's compensation | \$ 155,320 | |
| | Substitutes | | |
| | Program Personnel Professional Development and Training | | |
| | Staff CEU's and other annual accreditation fees | | |
| | School accreditation fees | \$ 900 | |
| | Curriculum / Instructional Programs | \$ 2,000 | |
| | Sub Total Childcare | | \$ 161,220 |
| Administration | Office Supplies | \$ 1,000 | |
| | Management Compensation | \$ 45,000 | |
| | Administrative Compensation | \$ 24,000 | |
| | Advertising, Marketing and Promotions | \$ 2,500 | |
| | Website & Social Media | \$ 20,000 | |
| | Insurance: Business/Liability/Real Estate | \$ 6,000 | |
| | Accounting/Legal | \$ 1,500 | |
| | Printing | \$ 300 | |
| | Postage | \$ 200 | |
| | Dues & Subscriptions | | |
| | License | \$ 500 | |
| | Mileage and Gas | | |
| | Car, Van Lease or Payment | | |
| | Bank fees/Interest | | |
| | Consulting Fees | | |
| | Sub Total Administration | | \$ 101,000 |
| Facility | Annual rent/mortgage | \$ 48,000 | |
| | Real Estate Taxes* | \$ 5,000 | |
| | CAM** | \$ 4,800 | |
| | Property insurance | \$ 4,000 | |
| | Maintenance | \$ 1,500 | |
| | Utilities - water | \$ 3,600 | |
| | Other occup. exp. | \$ - | |
| | Other occup. exp. | \$ - | |
| | Utilities - electric | \$ 6,000 | |
| | Sub Total Occupancy Costs | | \$ 72,900 |
| Miscellaneous | | | |
| | TOTAL EXPENSES | | \$ 335,120.00 |
| | PROFIT (LOSS) BEFORE TAXES | | \$ 50,284.48 |
| | INCOME TAXES (enter your estimate tax range) | 20% | \$ 10,056.90 |
| | NET PROFIT (LOSS) | | \$ 40,227.58 |

Quick Orientation

- Tuition
 - Less classroom teacher pay
 - Less classroom occupancy costs
- Classroom Profit

| Profit & Loss Statement | | 12 Months | Totals |
|---|--|------------|---------------|
| INCOME | | | |
| Infants | | \$ 30,744 | |
| Toddler | | \$ 34,452 | |
| Twos | | \$ 60,720 | |
| Threes | | \$ 67,620 | |
| Fours | | \$ 64,350 | |
| Fives | | \$ 69,118 | |
| Other Classroom 1 | | \$ - | |
| Other Classroom 2 | | \$ - | |
| Afterschool | | \$ 38,400 | |
| Summer Camp | | \$ 20,000 | |
| Other Services 1 | | \$ - | |
| Other Services 2 | | \$ - | |
| U SDA Food Program | | | |
| Registration Fees | | | |
| Other Fees or Income | | | |
| Total Revenue | | | \$ 385,404 |
| EXPENSES | | | |
| Childcare | | | |
| Childcare Supplies | | \$ 3,000 | |
| Food | | | |
| Program teacher's compensation | | \$ 155,320 | |
| Substitutes | | | |
| Program Personnel Professional Development and Training | | | |
| Staff CEU's and other annual accreditation fees | | | |
| School accreditation fees | | \$ 900 | |
| Curriculum / Instructional Programs | | \$ 2,000 | |
| Sub Total Childcare | | | \$ 161,220 |
| Administration | | | |
| Office Supplies | | \$ 1,000 | |
| Management Compensation | | \$ 45,000 | |
| Administrative Compensation | | \$ 24,000 | |
| Advertising, Marketing and Promotions | | \$ 2,500 | |
| Website & Social Media | | \$ 20,000 | |
| Insurance: Business/Liability/Real Estate | | \$ 6,000 | |
| Accounting/Legal | | \$ 1,500 | |
| Printing | | \$ 300 | |
| Postage | | \$ 200 | |
| Dues & Subscriptions | | | |
| License | | \$ 500 | |
| Mileage and Gas | | | |
| Car, Van Lease or Payment | | | |
| Bank fees/Interest | | | |
| Consulting Fees | | | |
| Sub Total Administration | | | \$ 101,000 |
| Facility | | | |
| Annual rent/mortgage | | \$ 48,000 | |
| Real Estate Taxes * | | \$ 5,000 | |
| CAM** | | \$ 4,800 | |
| Property insurance | | \$ 4,000 | |
| Maintenance | | \$ 1,500 | |
| Utilities - water | | \$ 3,600 | |
| Other occup. exp. | | \$ - | |
| Other occup. exp. | | \$ - | |
| Utilities - electric | | \$ 6,000 | |
| Sub Total Occupancy Costs | | | \$ 72,900 |
| Miscellaneous | | | |
| | TOTAL EXPENSES | | \$ 335,120.00 |
| | PROFIT (LOSS) BEFORE TAXES | | \$ 50,284.48 |
| | INCOME TAXES (enter your estimate tax range) | 20% | \$ 10,056.90 |
| | NET PROFIT (LOSS) | | \$ 40,227.58 |

Classroom Profit Calculator

- Run different scenarios at various pay levels
- Determine the impact on your classroom level profits
- Review options to maintain or increase profits despite increasing labor costs
 - Qualify for accreditation and performance payments
 - Improve enrollment levels
 - Increase tuition
 - Increase fees
 - Add new programs or services

Classroom Profit Spreadsheet

| | | | | (Auto) | | | | (Auto) | | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) |
|-------------------|------------|----------------|--------------------------------|------------|-------------------------------------|----------------------------------|--|--|--|---|-------------------------|----------------------------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------------|--------------------------------|----------------------------------|
| Classrooms | # Teachers | Max # Children | Actual # Children (From Tab 2) | % Enrolled | Current Annual Tuition (From Tab 2) | Annual Classroom Occupancy Costs | Classroom Occupancy Cost as % of Tuition | Current Classroom Teacher Compensation (Tab 3) | Classroom Teacher Compensation as % of Tuition | Total Classroom Annual Teacher Compensation & Occupancy | Annual Classroom Profit | Classroom Profit as % of Tuition | Alternative 1 Classroom Compensation | Alternative 1 Classroom Profit | Classroom Profit as % of Tuition | Alternative 2 Classroom Compensation | Alternative 2 Classroom Profit | Classroom Profit as % of Tuition |
| Infants | 1 | 4 | 4 | 100% | \$ 30,744.00 | \$ 4,374.00 | 14% | \$ 22,880 | 74% | \$ 27,254.00 | \$ 3,490.00 | 11% | \$ 29,744 | \$ (3,374.00) | -11% | \$ 34,320 | \$ (7,950.00) | -26% |
| Toddler | 1 | 6 | 6 | 100% | \$ 34,452.00 | \$ 8,019.00 | 23% | \$ 22,880 | 66% | \$ 30,899.00 | \$ 3,553.00 | 10% | \$ 29,744 | \$ (3,311.00) | -10% | \$ 34,320 | \$ (7,887.00) | -23% |
| Twos | 1 | 11 | 11 | 100% | \$ 60,720.00 | \$ 10,935.00 | 18% | \$ 22,880 | 38% | \$ 33,815.00 | \$ 26,905.00 | 44% | \$ 29,744 | \$ 20,041.00 | 33% | \$ 34,320 | \$ 15,465.00 | 25% |
| Threes | 1 | 15 | 15 | 100% | \$ 67,620.00 | \$ 14,580.00 | 22% | \$ 22,880 | 34% | \$ 37,460.00 | \$ 30,160.00 | 45% | \$ 29,744 | \$ 23,296.00 | 34% | \$ 34,320 | \$ 18,720.00 | 28% |
| Fours | 1 | 20 | 15 | 75% | \$ 64,350.00 | \$ 14,580.00 | 23% | \$ 22,880 | 36% | \$ 37,460.00 | \$ 26,890.00 | 42% | \$ 29,744 | \$ 20,026.00 | 31% | \$ 34,320 | \$ 15,450.00 | 24% |
| Fives | 1 | 20 | 20 | 100% | \$ 69,118.48 | \$ 14,580.00 | 21% | \$ 22,880 | 33% | \$ 37,460.00 | \$ 31,658.48 | 46% | \$ 29,744 | \$ 24,794.48 | 36% | \$ 34,320 | \$ 20,218.48 | 29% |
| Other Classroom 1 | | | 0 | | \$ | \$ | #DIV/0! | \$ | #DIV/0! | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Classroom 2 | | | 0 | | \$ | \$ | #DIV/0! | \$ | #DIV/0! | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Services | | | | | | | | | | | | | | | | | | |
| Afterschool | 1 | 25 | 10 | 40% | \$ 38,400.00 | | | \$ 9,240 | | \$ 9,240 | \$ 29,160.00 | 76% | \$ - | \$ 38,400.00 | 100% | \$ - | \$ 38,400.00 | 100% |
| Summer Camp | 1 | 20 | 20 | 100% | \$ 20,000.00 | | | \$ 8,800 | | \$ 8,800 | \$ 11,200.00 | 56% | \$ 22,880 | \$ (2,880.00) | -14% | \$ - | \$ 20,000.00 | 100% |
| Other Services 1 | | | | | \$ | | | \$ | | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Services 2 | | | | | \$ | | | \$ | | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Totals | 8.0 | 121 | 101 | 83% | \$ 385,404.48 | \$ 67,068.00 | 17% | \$ 155,320.00 | 40% | \$ 222,388.00 | \$ 163,016.48 | 42% | \$ 201,344.00 | \$ 116,992.48 | 30% | \$ 205,920.00 | \$ 112,416.48 | 29% |

Current State

| Classrooms | # Teachers | Max # Children | Actual # Children (From Tab 2) | % Enrolled | Current Annual Tuition (From Tab 2) | Annual Classroom Occupancy Costs | Classroom Occupancy Cost as % of Tuition | Current Classroom Teacher Compensation (Tab 3) | Classroom Teacher Compensation as % of Tuition | Total Classroom Annual Teacher Compensation & Occupancy | Annual Classroom Profit | Classroom Profit as % of Tuition |
|-------------------|------------|----------------|--------------------------------|------------|-------------------------------------|----------------------------------|--|--|--|---|-------------------------|----------------------------------|
| Infants | 1 | 4 | 4 | 100% | \$ 30,744.00 | \$ 4,374.00 | 14% | \$ 22,880 | 74% | \$ 27,254.00 | \$ 3,490.00 | 11% |
| Toddler | 1 | 6 | 6 | 100% | \$ 34,452.00 | \$ 8,019.00 | 23% | \$ 22,880 | 66% | \$ 30,899.00 | \$ 3,553.00 | 10% |
| Twos | 1 | 11 | 11 | 100% | \$ 60,720.00 | \$ 10,935.00 | 18% | \$ 22,880 | 38% | \$ 33,815.00 | \$ 26,905.00 | 44% |
| Threes | 1 | 15 | 15 | 100% | \$ 67,620.00 | \$ 14,580.00 | 22% | \$ 22,880 | 34% | \$ 37,460.00 | \$ 30,160.00 | 45% |
| Fours | 1 | 20 | 15 | 75% | \$ 64,350.00 | \$ 14,580.00 | 23% | \$ 22,880 | 36% | \$ 37,460.00 | \$ 26,890.00 | 42% |
| Fives | 1 | 20 | 20 | 100% | \$ 69,118.48 | \$ 14,580.00 | 21% | \$ 22,880 | 33% | \$ 37,460.00 | \$ 31,658.48 | 46% |
| Other Classroom 1 | | | 0 | | \$ - | \$ - | #DIV/0! | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Classroom 2 | | | 0 | | \$ - | \$ - | #DIV/0! | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Services | | | | | | | | | | | | |
| Afterschool | 1 | 25 | 10 | 40% | \$ 38,400.00 | | | \$ 9,240 | | \$ 9,240 | \$ 29,160.00 | 76% |
| Summer Camp | 1 | 20 | 20 | 100% | \$ 20,000.00 | | | \$ 8,800 | | \$ 8,800 | \$ 11,200.00 | 56% |
| Other Services 1 | | | | | \$ - | | | \$ - | | \$ - | \$ - | #DIV/0! |
| Other Services 2 | | | | | \$ - | | | \$ - | | \$ - | \$ - | #DIV/0! |
| Totals | 8.0 | 121 | 101 | 83% | \$ 385,404.48 | \$ 67,068.00 | 17% | \$ 155,320.00 | 40% | \$ 222,388.00 | \$ 163,016.48 | 42% |

Impact of the increasing labor costs

| | | | | (Auto) | (Auto) | | (Auto) | (Auto) |
|-------------------|------------|----------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------------|--------------------------------|----------------------------------|
| Classrooms | # Teachers | Max # Children | Alternative 1 Classroom Compensation | Alternative 1 Classroom Profit | Classroom Profit as % of Tuition | Alternative 2 Classroom Compensation | Alternative 2 Classroom Profit | Classroom Profit as % of Tuition |
| Infants | 1 | 4 | \$ 29,744 | \$ (3,374.00) | -11% | \$ 34,320 | \$ (7,950.00) | -26% |
| Toddler | 1 | 6 | \$ 29,744 | \$ (3,311.00) | -10% | \$ 34,320 | \$ (7,887.00) | -23% |
| Twos | 1 | 11 | \$ 29,744 | \$ 20,041.00 | 33% | \$ 34,320 | \$ 15,465.00 | 25% |
| Threes | 1 | 15 | \$ 29,744 | \$ 23,296.00 | 34% | \$ 34,320 | \$ 18,720.00 | 28% |
| Fours | 1 | 20 | \$ 29,744 | \$ 20,026.00 | 31% | \$ 34,320 | \$ 15,450.00 | 24% |
| Fives | 1 | 20 | \$ 29,744 | \$ 24,794.48 | 36% | \$ 34,320 | \$ 20,218.48 | 29% |
| Other Classroom 1 | | | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Classroom 2 | | | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Services | | | | | | | | |
| Afterschool | 1 | 25 | \$ - | \$ 38,400.00 | 100% | \$ - | \$ 38,400.00 | 100% |
| Summer Camp | 1 | 20 | \$ 22,880 | \$ (2,880.00) | -14% | \$ - | \$ 20,000.00 | 100% |
| Other Services 1 | | | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Services 2 | | | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Totals | 8.0 | 121 | \$ 201,344.00 | \$ 116,992.48 | 30% | \$ 205,920.00 | \$ 112,416.48 | 29% |

Tuition Calculator

| Classroom/Service Category | Infants | | | | | | | |
|-------------------------------------|------------|------------|--|------------------|-----------------|----------------|--------------------------|----------------|
| Name of child | # Children | Daily Rate | Additions to Daily Rate Accred./Perf. | Total Daily Rate | # days per week | Weekly Tuition | Number of weeks per year | Annual Tuition |
| Janice | | \$ 38.43 | | \$ 38.43 | 4 | \$ 153.72 | 50 | \$ 7,686.00 |
| Louis | | \$ 38.43 | | \$ 38.43 | 4 | \$ 153.72 | 50 | \$ 7,686.00 |
| Jose | | \$ 38.43 | | \$ 38.43 | 4 | \$ 153.72 | 50 | \$ 7,686.00 |
| Sherrell | | \$ 38.43 | | \$ 38.43 | 4 | \$ 153.72 | 50 | \$ 7,686.00 |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| | | | | \$ - | | \$ - | | \$ - |
| Totals per classroom | 4.00 | \$ 153.72 | \$ - | \$ 153.72 | | \$ 614.88 | | \$ 30,744.00 |
| Averages/child | | \$ 38.43 | \$ - | \$ 38.43 | 4.00 | \$ 153.72 | 50.00 | \$ 7,686.00 |
| Perform./Accred. as % of daily rate | | 0% | | | | | | |

Teacher Pay Calculator

| Teacher Pay Calculator - Current | | Teacher Pay Calculator - Alternative 1 | | Teacher Pay Calculator - Alternative 2 | |
|---|------------------|---|------------------|---|------------------|
| Infants | | Infants | | Infants | |
| Timeframe: | Annual | Timeframe: | Annual | Timeframe: | Annual |
| Teacher's hourly rate | \$ 10.00 | Teacher's hourly rate | \$ 13.00 | Teacher's hourly rate | \$ 15.00 |
| Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.00 | Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.30 | Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.50 |
| Hours per week | 40 | Hours per week | 40 | Hours per week | 40 |
| Weeks per year | 52 | Weeks per year | 52 | Weeks per year | 52 |
| Teacher Compensation | \$ 22,880 | Teacher Compensation | \$ 29,744 | Teacher Compensation | \$ 34,320 |
| Toddler | | Toddler | | Toddler | |
| Timeframe: | Annual | Timeframe: | Annual | Timeframe: | Annual |
| Teacher's hourly rate | \$ 10.00 | Teacher's hourly rate | \$ 13.00 | Teacher's hourly rate | \$ 15.00 |
| Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.00 | Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.30 | Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.50 |
| Hours per week | 40 | Hours per week | 40 | Hours per week | 40 |
| Weeks per year | 52 | Weeks per year | 52 | Weeks per year | 52 |
| Teacher Compensation | \$ 22,880 | Teacher Compensation | \$ 29,744 | Teacher Compensation | \$ 34,320 |
| Twos | | Twos | | Twos | |
| Timeframe: | Annual | Timeframe: | Annual | Timeframe: | Annual |
| Teacher's hourly rate | \$ 10.00 | Teacher's hourly rate | \$ 13.00 | Teacher's hourly rate | \$ 15.00 |
| Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.00 | Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.30 | Payroll taxes - use 10% of hourly rates as a rough estimate | \$ 1.50 |
| Hours per week | 40 | Hours per week | 40 | Hours per week | 40 |
| Weeks per year | 52 | Weeks per year | 52 | Weeks per year | 52 |
| Teacher Compensation | \$ 22,880 | Teacher Compensation | \$ 29,744 | Teacher Compensation | \$ 34,320 |

Occupancy Cost Calculator

| Occupancy Costs | | | | 35 | | | |
|------------------------------|---------------------|-----------------------------------|---------------------------------|------------------|--------------------|---------------------------------|--|
| | | Classrooms (From tab 1) | Maximum # Children (from tab 1) | @35sq' per child | Annual Occupancy | | |
| Commercial Space | | Infants | 4 | 140 | \$ 2,916.00 | | |
| Annual rent/mortgage | \$ 48,000.00 | Toddler | 6 | 210 | \$ 4,374.00 | | |
| Real Estate Taxes* | \$ 5,000.00 | Twos | 11 | 385 | \$ 8,019.00 | | |
| CAM** | \$ 4,800.00 | Threes | 15 | 525 | \$10,935.00 | | |
| Property insurance | \$ 4,000.00 | Fours | 20 | 700 | \$14,580.00 | | |
| Maintenance | \$ 1,500.00 | Fives | 20 | 700 | \$14,580.00 | | |
| Utilities - water | \$ 3,600.00 | Other Classroom 1 | 0 | 0 | \$ - | | |
| Other occup. exp. | | Other Classroom 2 | 0 | 0 | \$ - | | |
| Other occup. exp. | | | | | | | |
| Utilities - electric | \$ 6,000.00 | Total Children | 76 | | | | |
| Total Occupancy Costs | \$ 72,900.00 | Min Classroom sq' required | | 2,660 | \$55,404.00 | Classroom occupancy expense | |
| Total indoor square feet | 3,500 | | | | \$17,496.00 | Non classroom occupancy expense | |
| Occupancy costs/sq' | \$ 20.83 | | | | | | |

* If annual real estate payments are in addition to rent
 ** If annual common area maintenance (CAM) payments are in addition to rent

Family Childcare Home

Occupancy Costs Family Child Care Center

Change to 25 only if grandfathered at 25 Sq'/child

35

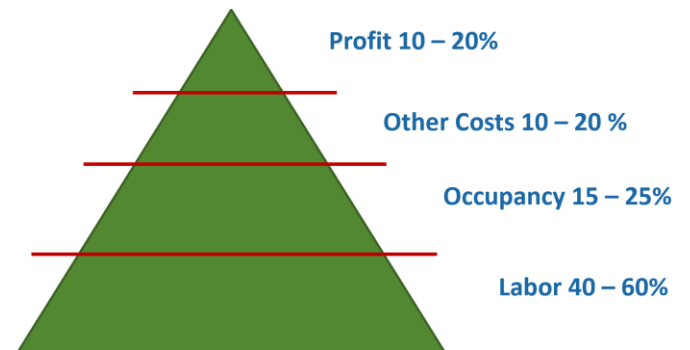
| Home Bldg Total Expense | Annual | Large Family Child Care Home Portion of Total House Expense | | Classrooms (From tab 1) | Maximum # Children (from tab 1) | @35sq' per child | Annual Occupancy | |
|------------------------------|---------|---|---------|-----------------------------------|---------------------------------|------------------|------------------|---------------------------------|
| Annual rent/mortgage | | Annual rent/mortgage | #DIV/0! | Classroom 1 | 0 | 0 | #DIV/0! | |
| Real EstateTaxes* | | Real EstateTaxes* | #DIV/0! | Classroom 2 | 0 | 0 | #DIV/0! | |
| Property insurance | | Property insurance | #DIV/0! | Classroom 3 | 0 | 0 | #DIV/0! | |
| Maintenance | | Maintenance | #DIV/0! | Classroom 4 | 0 | 0 | #DIV/0! | |
| Utilities - water | | Utilities - water | #DIV/0! | Classroom 5 | 0 | 0 | #DIV/0! | |
| Other occup. exp. | | Other occup. exp. | #DIV/0! | Classroom 6 | 0 | 0 | #DIV/0! | |
| Other occup. exp. | | Other occup. exp. | #DIV/0! | Classroom 7 | 0 | 0 | #DIV/0! | |
| Utilities - electric | | Utilities - electric | #DIV/0! | Classroom 8 | 0 | 0 | #DIV/0! | |
| Total Occupancy Costs | \$ - | Total Occupancy Costs | #DIV/0! | Total Children | 0 | | | |
| Total indoor square feet | | Total indoor square feet | - | Min Classroom sq' required | | - | #DIV/0! | Classroom occupancy expense |
| Occupancy costs/sq' | #DIV/0! | Occupancy costs/sq' | #DIV/0! | | | | #DIV/0! | Non classroom occupancy expense |

Classroom Profit Spreadsheet

| | | | | (Auto) | | | | (Auto) | | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) | (Auto) |
|-------------------|------------|----------------|--------------------------------|------------|-------------------------------------|----------------------------------|--|--|--|---|-------------------------|----------------------------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------------|--------------------------------|----------------------------------|
| Classrooms | # Teachers | Max # Children | Actual # Children (From Tab 2) | % Enrolled | Current Annual Tuition (From Tab 2) | Annual Classroom Occupancy Costs | Classroom Occupancy Cost as % of Tuition | Current Classroom Teacher Compensation (Tab 3) | Classroom Teacher Compensation as % of Tuition | Total Classroom Annual Teacher Compensation & Occupancy | Annual Classroom Profit | Classroom Profit as % of Tuition | Alternative 1 Classroom Compensation | Alternative 1 Classroom Profit | Classroom Profit as % of Tuition | Alternative 2 Classroom Compensation | Alternative 2 Classroom Profit | Classroom Profit as % of Tuition |
| Infants | 1 | 4 | 4 | 100% | \$ 30,744.00 | \$ 4,374.00 | 14% | \$ 22,880 | 74% | \$ 27,254.00 | \$ 3,490.00 | 11% | \$ 29,744 | \$ (3,374.00) | -11% | \$ 34,320 | \$ (7,950.00) | -26% |
| Toddler | 1 | 6 | 6 | 100% | \$ 34,452.00 | \$ 8,019.00 | 23% | \$ 22,880 | 66% | \$ 30,899.00 | \$ 3,553.00 | 10% | \$ 29,744 | \$ (3,311.00) | -10% | \$ 34,320 | \$ (7,887.00) | -23% |
| Twos | 1 | 11 | 11 | 100% | \$ 60,720.00 | \$ 10,935.00 | 18% | \$ 22,880 | 38% | \$ 33,815.00 | \$ 26,905.00 | 44% | \$ 29,744 | \$ 20,041.00 | 33% | \$ 34,320 | \$ 15,465.00 | 25% |
| Threes | 1 | 15 | 15 | 100% | \$ 67,620.00 | \$ 14,580.00 | 22% | \$ 22,880 | 34% | \$ 37,460.00 | \$ 30,160.00 | 45% | \$ 29,744 | \$ 23,296.00 | 34% | \$ 34,320 | \$ 18,720.00 | 28% |
| Fours | 1 | 20 | 15 | 75% | \$ 64,350.00 | \$ 14,580.00 | 23% | \$ 22,880 | 36% | \$ 37,460.00 | \$ 26,890.00 | 42% | \$ 29,744 | \$ 20,026.00 | 31% | \$ 34,320 | \$ 15,450.00 | 24% |
| Fives | 1 | 20 | 20 | 100% | \$ 69,118.48 | \$ 14,580.00 | 21% | \$ 22,880 | 33% | \$ 37,460.00 | \$ 31,658.48 | 46% | \$ 29,744 | \$ 24,794.48 | 36% | \$ 34,320 | \$ 20,218.48 | 29% |
| Other Classroom 1 | | | 0 | | \$ | \$ | #DIV/0! | \$ | #DIV/0! | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Classroom 2 | | | 0 | | \$ | \$ | #DIV/0! | \$ | #DIV/0! | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Services | | | | | | | | | | | | | | | | | | |
| Afterschool | 1 | 25 | 10 | 40% | \$ 38,400.00 | | | \$ 9,240 | | \$ 9,240 | \$ 29,160.00 | 76% | \$ - | \$ 38,400.00 | 100% | \$ - | \$ 38,400.00 | 100% |
| Summer Camp | 1 | 20 | 20 | 100% | \$ 20,000.00 | | | \$ 8,800 | | \$ 8,800 | \$ 11,200.00 | 56% | \$ 22,880 | \$ (2,880.00) | -14% | \$ - | \$ 20,000.00 | 100% |
| Other Services 1 | | | | | \$ | | | \$ | | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Other Services 2 | | | | | \$ | | | \$ | | \$ | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! | \$ - | \$ - | #DIV/0! |
| Totals | 8.0 | 121 | 101 | 83% | \$ 385,404.48 | \$ 67,068.00 | 17% | \$ 155,320.00 | 40% | \$ 222,388.00 | \$ 163,016.48 | 42% | \$ 201,344.00 | \$ 116,992.48 | 30% | \$ 205,920.00 | \$ 112,416.48 | 29% |

| Profit & Loss Statement | | 12 Months | Totals |
|-------------------------|---|------------|----------------------|
| INCOME | | | |
| | Infants | \$ 30,744 | |
| | Toddler | \$ 34,452 | |
| | Twos | \$ 60,720 | |
| | Threes | \$ 67,620 | |
| | Fours | \$ 64,350 | |
| | Fives | \$ 69,118 | |
| | Other Classroom 1 | \$ - | |
| | Other Classroom 2 | \$ - | |
| | Afterschool | \$ 38,400 | |
| | Summer Camp | \$ 20,000 | |
| | Other Services 1 | \$ - | |
| | Other Services 2 | \$ - | |
| | USDA Food Program | | |
| | Registration Fees | | |
| | Other Fees or Income | | |
| | Total Revenue | | \$ 385,404 |
| EXPENSES | | | |
| Childcare | Childcare Supplies | \$ 3,000 | |
| | Food | | |
| | Program teacher's compensation | \$ 155,320 | |
| | Substitutes | | |
| | Program Personnel Professional Development and Training | | |
| | Staff CEU's and other annual accreditation fees | | |
| | School accreditation fees | \$ 900 | |
| | Curriculum / Instructional Programs | \$ 2,000 | |
| | Sub Total Childcare | | \$ 161,220 |
| Administration | Office Supplies | \$ 1,000 | |
| | Management Compensation | \$ 45,000 | |
| | Administrative Compensation | \$ 24,000 | |
| | Advertising, Marketing and Promotions | \$ 2,500 | |
| | Website & Social Media | \$ 20,000 | |
| | Insurance: Business/Liability/Real Estate | \$ 6,000 | |
| | Accounting/Legal | \$ 1,500 | |
| | Printing | \$ 300 | |
| | Postage | \$ 200 | |
| | Dues & Subscriptions | | |
| | License | \$ 500 | |
| | Mileage and Gas | | |
| | Car, Van Lease or Payment | | |
| | Bank fees/Interest | | |
| | Consulting Fees | | |
| | Sub Total Administration | | \$ 101,000 |
| Facility | Annual rent/mortgage | \$ 48,000 | |
| | Real Estate Taxes* | \$ 5,000 | |
| | CAM** | \$ 4,800 | |
| | Property insurance | \$ 4,000 | |
| | Maintenance | \$ 1,500 | |
| | Utilities - water | \$ 3,600 | |
| | Other occup. exp. | \$ - | |
| | Other occup. exp. | \$ - | |
| | Utilities - electric | \$ 6,000 | |
| | Sub Total Occupancy Costs | | \$ 72,900 |
| Miscellaneous | | | |
| | TOTAL EXPENSES | | \$ 335,120.00 |
| | PROFIT (LOSS) BEFORE TAXES | | \$ 50,284.48 |
| | INCOME TAXES (enter your estimate tax range) | 20% | \$ 10,056.90 |
| | NET PROFIT (LOSS) | | \$ 40,227.58 |

| Total Compensation as a % Revenue | | % Rev |
|--|-------------------|------------|
| Program teacher's compensation | \$ 155,320 | |
| Management Compensation | \$ 45,000 | |
| Administrative Compensation | \$ 24,000 | |
| Total | \$ 224,320 | 58% |
| | | |
| Occupancy as a % of Revenue | | |
| Sub Total Occupancy Costs | \$ 72,900 | 19% |
| | | |
| Other Expenses | \$ 37,900 | 10% |
| | | |
| Pre-Tax Profit | \$ 50,284 | 13% |





FOR THE LIFE OF YOUR BUSINESS

How to use the calculators

Summary

- If increasing labor costs will reduce a center's profit the owner or directors must take action
- Which actions?
 - Qualify for accreditation premiums
 - Qualify for performance premiums
 - Increase enrollment
 - Increase tuition
 - Add new programs and/or services