

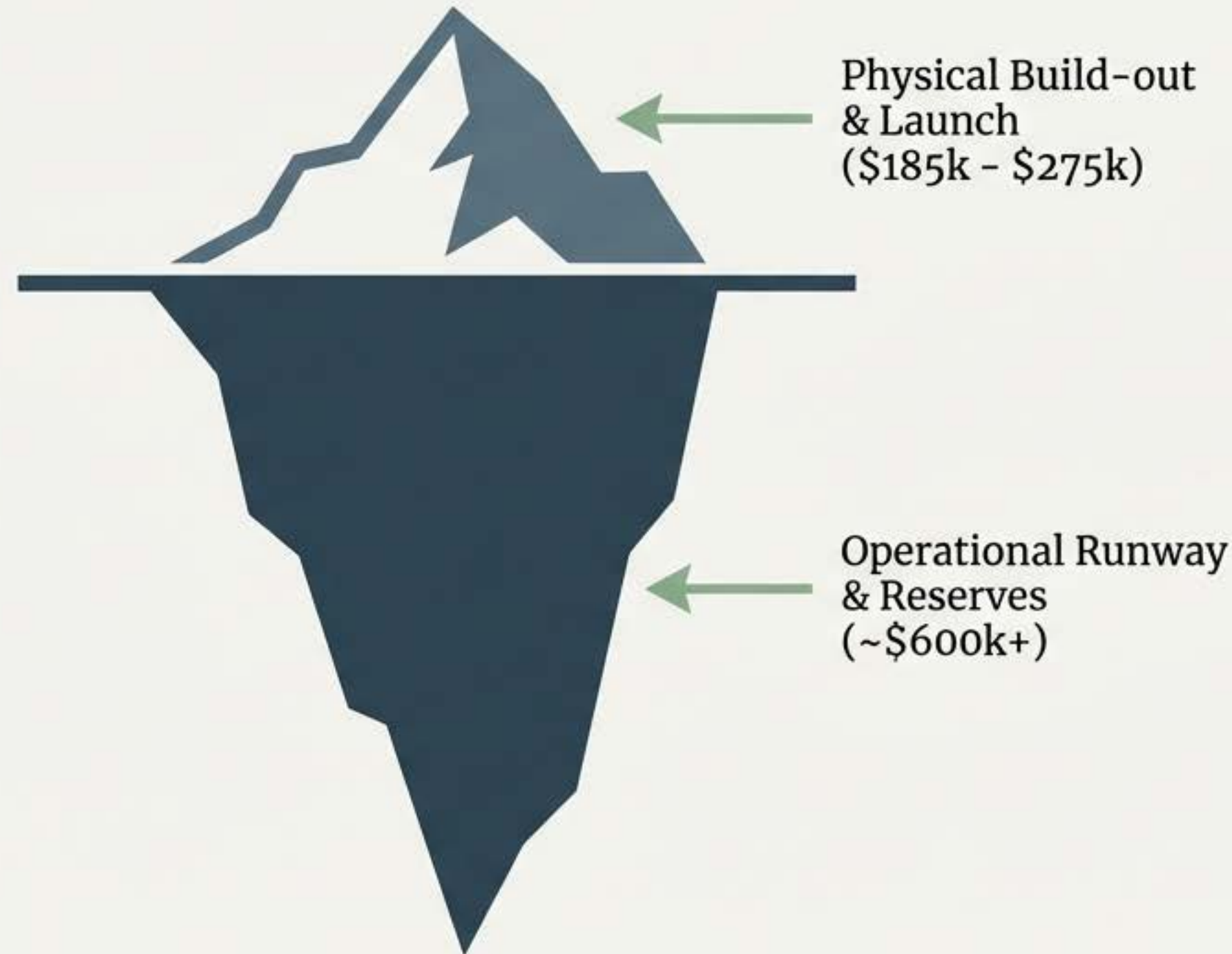


The Daycare Financial Blueprint

Capital Requirements, Cash Flow Strategy,
and the Path to Profitability

Confidential Financial Planning Guide

Successful launch requires capitalizing for depth, not just entry.

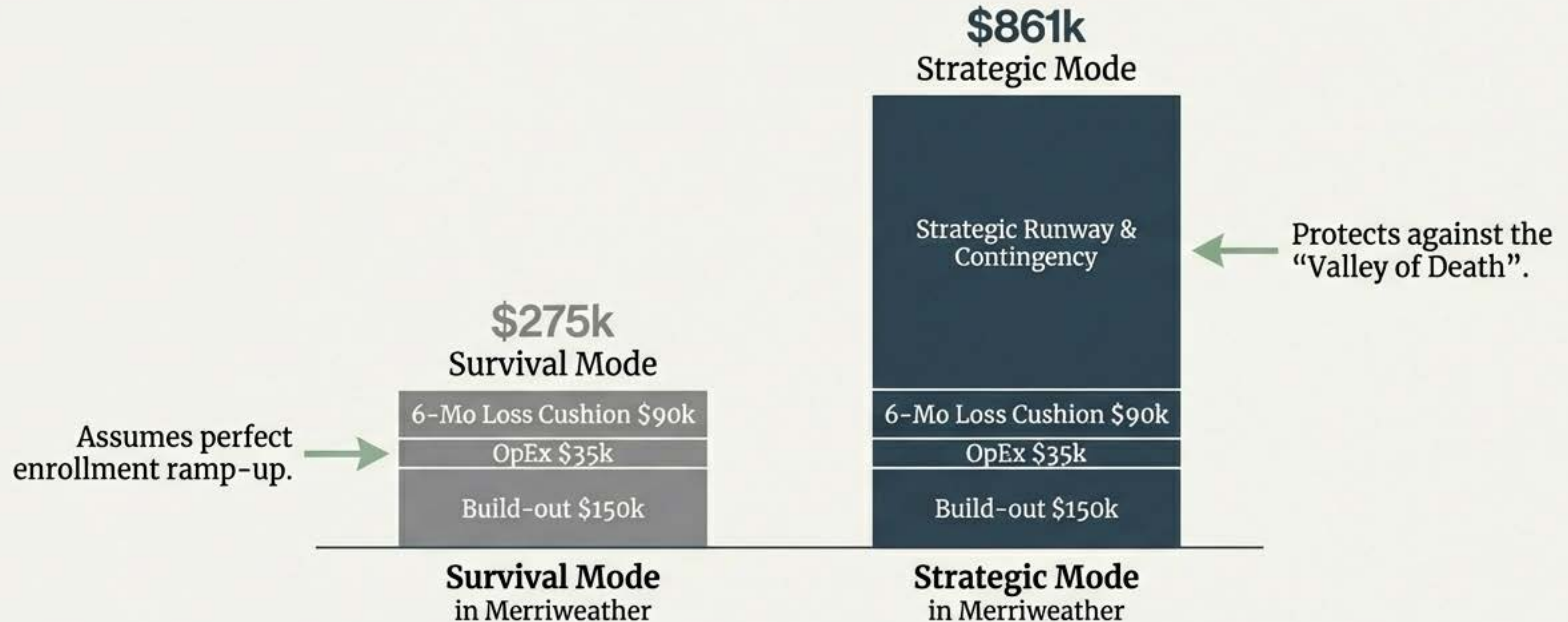


Total Capital Target:
\$861,000
in Merriweather

Break-Even Target:
February 2026
in Merriweather

Monthly Burn:
\$51,450
in Merriweather

The gap between 'Opening the Doors' and 'Staying Open' defines the funding strategy.



Launch costs are just the entry fee. Working capital ensures survival.

Phase 1: The Physical Foundation (CapEx)



The Facility

Renovation: ~\$50,000 (Compliance retrofitting)

Lease Strategy: Pre-pay 3-6 months @ \$10k/mo

Total Lease Exposure: \$30k - \$60k

Pro-Tip: Negotiate Tenant Improvement (TI) allowances to offset renovation costs.



The Equipment

Playground Structure: ~\$25,000

Mandated Cribs & Safety Mats

Total Budget: ~\$55,000

Source certified used safety mats to preserve cash.

Phase 2: Compliance & Infrastructure



- ✓ **Licensing & Permits: \$15,000**
State applications, zoning, fire inspections, background checks.
- ✓ **Security & Tech: \$17,000**
Access control systems (\$10k) +
Admin software/Computers (\$7k).



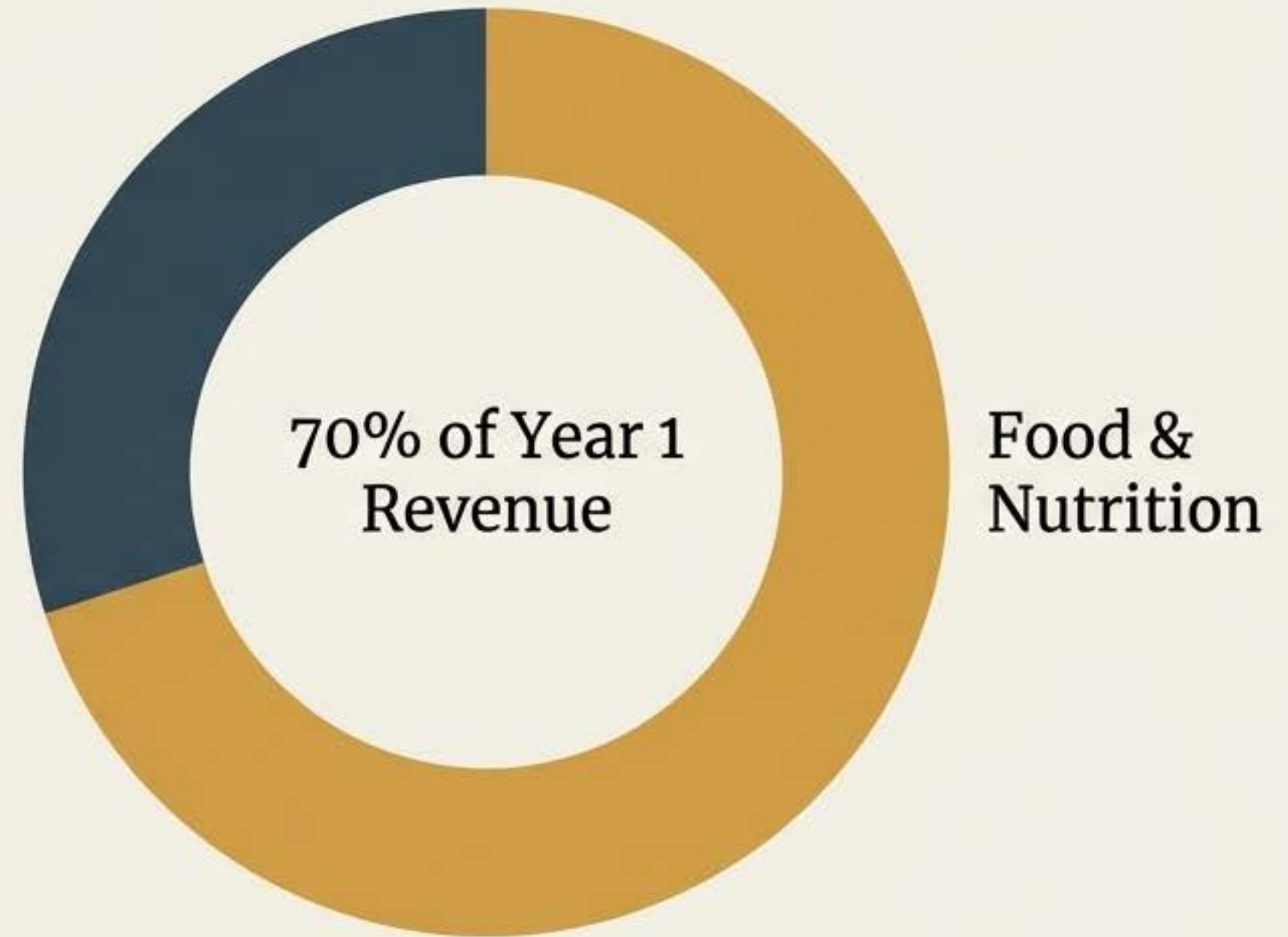
Time is money. If licensing delays opening by 60 days, sunk costs remain fixed, but pre-opening payroll burn continues.

Phase 3: Pre-Opening Human Capital



- Stagger hiring dates. Don't bring full teaching staff on board until mandated training is imminent.
- Streamline background checks to avoid 14+ day onboarding delays.

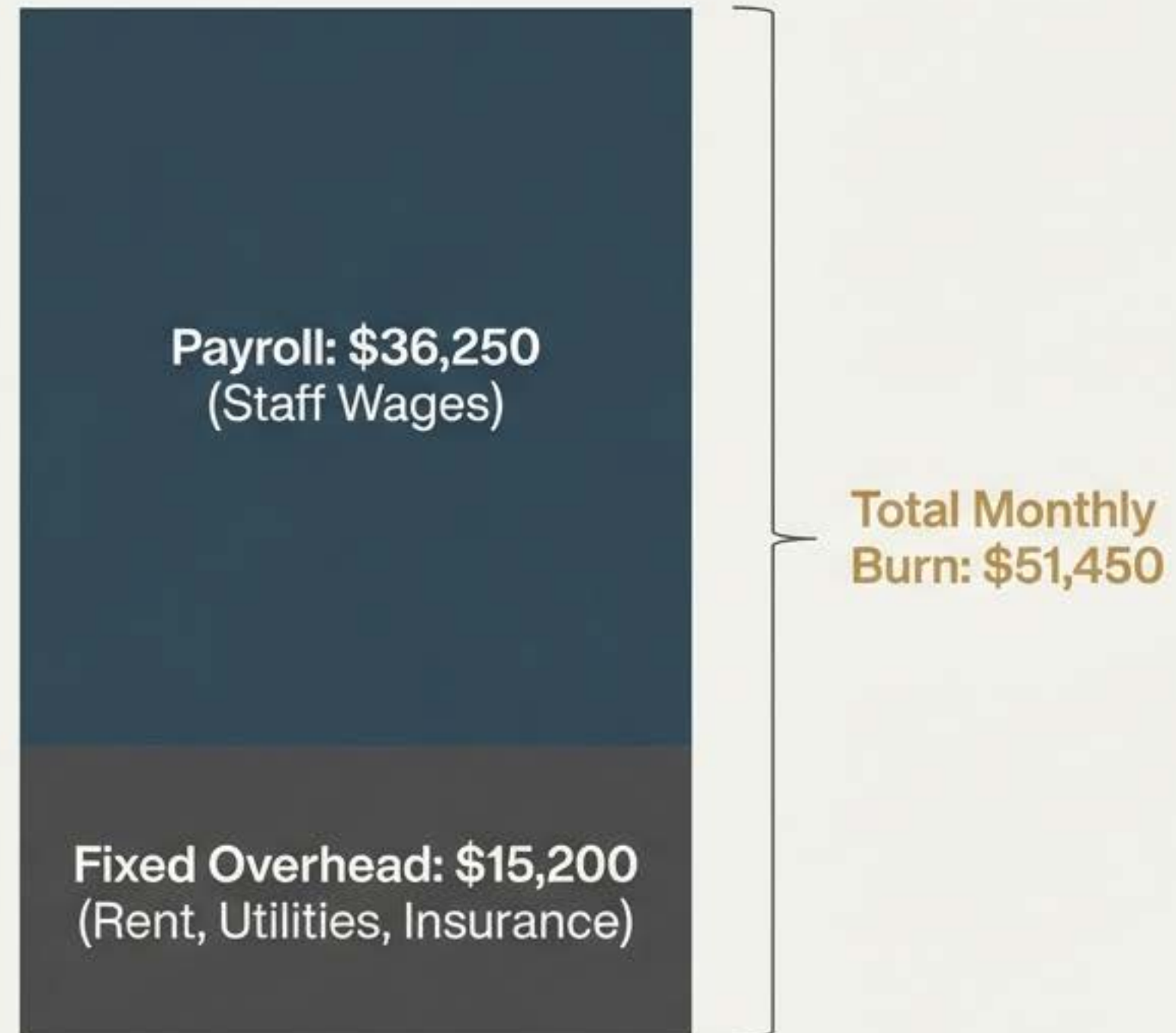
Managing Inventory and Variable Risks



Insight: Food is the highest variable risk. Waste management is margin management. Start with conservative meal plans to control the 70% revenue exposure.

The Monthly Burn Rate: Operating Reality

Before a single tuition check clears, the center burns \$51,450 every 30 days. Low student-to-teacher ratios drive the payroll commitment.



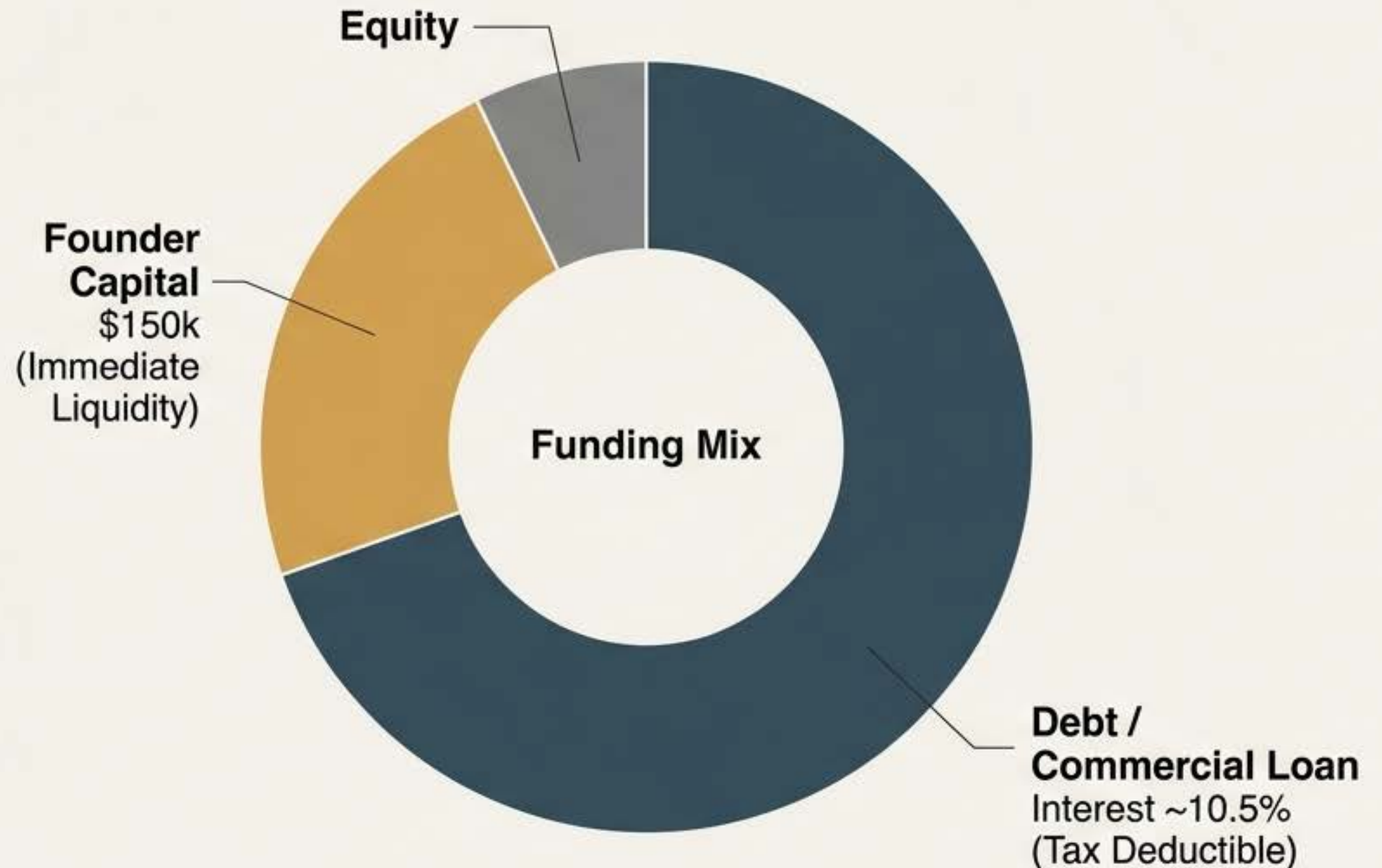
The Working Capital “Moat”



Funding the Vision: Capital Sources

Strategic Hierarchy

1. **Founder Savings:** Immediate liquidity for pre-opening expenses.
2. **Debt:** Lower cost of capital, retains control.
3. **Equity:** Use sparingly to avoid permanent dilution.



Timing the Capital Draw



Match the draw schedule to the expenditure timeline. Do not pay interest on capital sitting idle.

Risk Mitigation & Contingencies

Risk	Impact	Mitigation
Slow Enrollment	Extended cash burn period	\$861k buffer covers 18-24 months of ops
Construction Delays	Increased pre-opening payroll	Strict “No Hire” dates until permits received
Licensing Bottlenecks	Sunk costs without revenue	Immediate background checks + \$15k buffer

The Total Investment Summary

Facility Build-out & Lease	\$110,000
Equipment & Classroom	\$55,000
Licensing & Permits	\$15,000
Technology & Security	\$17,000
Inventory & Curriculum	\$8,000
Pre-Opening Payroll	\$56,250
Working Capital Reserves	\$599,750

TOTAL CAPITAL REQUIREMENT: \$861,000

Strategic Imperatives

1 | Secure the Runway

Do not launch with the minimum \$275k.
Secure the full \$861k.



2 | Watch the Payroll

Largest liability at \$36k/mo.
Hire only as enrollment dictates.



3 | Break-Even Focus

Target February 2026.
Every month delay costs ~\$51k.



4 | Cash Timing

Negotiate TI allowances and lease terms to preserve operating buffer.



A group of five diverse children are gathered around a wooden table in a bright room with large windows. They are engaged in creative play, using colorful wooden blocks to build structures and painting on sheets of paper. The scene is filled with natural light, creating a warm and positive atmosphere.

Financial discipline today
creates the “Bright Futures”
of tomorrow.

Target Launch: Q1 2026