

Early Childhood Care Center of IUCC
Statement of Activities

														Base Case - Option A	
														TABLE 4	
12 months ended Dec 31, 2021	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Total	% Ttl	
	1	2	3	4	5	6	7	8	9	10	11	12			
Revenue:													-	0.0%	
Interest Income													-	0.0%	
Registration	250	250	250	250	250	250	250	250	250	250	250	250	3,000	0.6%	
Staff Child Food	100	100	100	100	100	100	100	100	100	100	100	100	1,200	0.2%	
Level 2	6,229	7,622	6,660	8,030	4,863	3,483	2,808	4,021	8,254	14,563	11,871	10,079	88,481	18.4%	
Level 3	7,436	8,094	6,776	6,761	6,756	8,679	7,735	11,497	13,846	14,486	13,740	13,635	119,441	24.8%	
Level 4	14,080	15,930	17,263	16,824	20,795	18,149	18,620	15,373	14,824	12,005	11,041	10,936	185,840	38.6%	
Level 5	7,056	6,255	6,746	6,732	6,243	8,057	6,294	5,492	7,010	5,075	10,623	7,735	83,315	17.3%	
Total Tuition	34,801	37,900	37,444	38,347	38,657	38,368	35,456	36,382	43,934	46,128	47,275	42,385	478,276	99.4%	
Total Revenue	35,151	38,250	37,794	38,697	39,007	38,718	35,806	36,732	44,284	46,478	47,625	42,735	481,276	83%	
% Change Prior Year	-44.19%	-42.67%	-10.05%	686.24%	#####	#####	272.18%	83.61%	74.77%	75.08%	51.46%	22.80%	48.4%		
Expense:															
Administration	50	50	50	50	50	50	50	50	50	50	50	50	600	0.1%	
Advertising	208	208	208	208	208	208	208	208	208	208	208	208	2,500	0.5%	
Building Contribution - Rent	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	2,500	2,500	2,500	2,500	20,000	4.2%	
Building Repair & Impr - Playground	175	175	175	175	175	175	175	175	175	175	175	175	2,100	0.4%	
Computer, Monitor & Printer	50	50	50	50	50	50	50	50	50	50	50	50	600	0.1%	
Depreciation	2,082	2,082	2,103	2,103	2,124	2,124	2,145	2,145	2,165	2,165	2,186	2,207	25,631	5.3%	
Educational & Curriculum Supplies	292	292	292	292	292	292	292	292	292	292	292	292	3,500	0.7%	
Equipment	250	250	250	250	250	250	250	250	250	250	250	250	3,000	0.6%	
Equipment Repair	208	208	208	208	208	208	208	208	208	208	208	208	2,500	0.5%	
Janitorial Contract	921	921	921	921	921	921	921	921	921	921	921	921	11,051	2.3%	
Laundry													-		
Licensing/Fees	42	42	42	42	42	42	42	42	42	42	42	42	500	0.1%	
Medical Supplies	117	117	117	117	117	117	117	117	117	117	117	117	1,400	0.3%	
Miscellaneous	750	750	750	750	750	750	750	750	750	750	750	750	9,000	1.9%	
Nutrition	759	781	781	804	804	826	737	804	960	982	915	915	10,136	2.1%	
Office Supplies	167	167	167	167	167	167	167	167	167	167	167	167	2,000	0.4%	
Paper Products & Cleaning Suppl	192	192	192	192	192	192	192	192	192	192	192	192	2,300	0.5%	
Payroll Expenses:													-	0.0%	
Child Care Staff Wages	23,852	23,852	23,852	26,903	26,903	26,903	26,903	26,903	31,860	31,860	31,860	31,860	333,515	69.3%	
Payroll taxes	2,416	2,416	2,416	2,691	2,691	2,691	2,691	2,691	3,137	3,137	3,137	3,137	33,251	6.9%	
IUCC office staff reimb.	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	33,411	6.9%	
Substitutes	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	35,937	7.5%	
Workers' Compensation Ins.	784	784	784	868	868	868	868	868	1,004	1,004	1,004	1,004	10,711	2.2%	
Employees medical ins.	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	51,865	10.8%	
Total Personnel Expenses	37,154	37,154	37,154	40,563	40,563	40,563	40,563	40,563	46,103	46,103	46,103	46,103	498,690	103.6%	
Professional pubs and dues	63	63	63	63	63	63	63	63	63	63	63	63	750	0.2%	
Conferences													-	0.0%	
Telephone	210	210	210	210	210	210	210	210	210	210	210	210	2,520	0.5%	
sub-total expenses	44,939	44,961	44,982	48,413	48,434	48,456	48,388	48,455	55,422	55,444	55,465	55,419	598,778	124.4%	
Net Income	(9,788)	(6,711)	(7,188)	(9,717)	(9,427)	(9,738)	(12,582)	(11,723)	(11,138)	(8,966)	(7,840)	(12,684)	\$(117,501)	-24.4%	
	(9,788)	(16,499)	(23,687)	(33,403)	(42,831)	(52,569)	(65,150)	(76,873)	(88,011)	(96,977)	(104,817)	(117,501)	-		
Memo:															
Net Income	(9,788)	(6,711)	(7,188)	(9,717)	(9,427)	(9,738)	(12,582)	(11,723)	(11,138)	(8,966)	(7,840)	(12,684)	(117,501)		
addback Depreciation	2,082	2,082	2,103	2,103	2,124	2,124	2,145	2,145	2,165	2,165	2,186	2,207	25,631		
Adjs Net Income for depreciation	(7,705)	(4,629)	(5,085)	(7,614)	(7,304)	(7,615)	(10,437)	(9,578)	(8,973)	(6,800)	(5,654)	(10,477)	(91,870)		
+/- Other assets and liabs	(17,132)	-	(1,000)	-	-	-	-	2,000	3,000	1,000	1,000	1,000	(10,132)		
Less: Capital expenditures	(1,250)	-	(1,250)	-	(1,250)	-	(1,250)	-	(1,250)	-	(1,250)	(1,250)	(8,750)		
Less: Principal pymts on debt	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash Income less capex less principal pymts	(26,087)	(4,629)	(7,335)	(7,614)	(8,554)	(7,615)	(11,687)	(7,578)	(7,223)	(5,800)	(5,904)	(10,727)	(110,752)		
change in Investments	0	0	0	0	0	0	0	0	0	0	0	0	-		
Total change & Inv.	(26,087)	(4,629)	(7,335)	(7,614)	(8,554)	(7,615)	(11,687)	(7,578)	(7,223)	(5,800)	(5,904)	(10,727)	(110,752)		
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Avg	Total	
Level 2	6	8	7	8	6	5	4	5	9	14	12	11	8	95	
Level 3	7	8	7	7	7	9	8	13	15	15	14	14	10	124	
Level 4	13	13	14	14	17	15	15	13	12	10	9	9	13	154	
Level 5	8	6	7	7	6	8	6	5	7	5	9	7	7	81	
SFC															
Total Headcount	34	35	35	36	36	37	33	36	43	44	44	41	38	454	
Teachers, net of Cook/Director	8	8	8	9	9	9	9	9	11	11	11	11	9		
Ratio Teachers to Students	4.250	4.375	4.375	4.000	4.000	4.111	3.667	4.000	3.909	4.000	4.000	3.727	4.035		
Average Revenue \$/Headcount	\$ 1,034	\$ 1,093	\$ 1,080	\$ 1,075	\$ 1,084	\$ 1,046	\$ 1,085	\$ 1,020	\$ 1,030	\$ 1,056	\$ 1,082	\$ 1,042	\$ 1,060	12.7%	
Nutrition \$ Spent/Student	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	\$22.3	-11.0%	
Payroll % of Revenue	106%	97%	98%	105%	104%	105%	113%	110%	104%	99%	97%	108%	104%		

General Fund (church) 2020 - '22 Cash flow before Borrowing				
	2020	2021	2022	3 Yrs Ttl
Continue "As-Is"	(\$95.9)	(\$124.1)	(\$94.6)	(\$314.6)
Closure ECC 2021	(\$95.9)	(\$144.1)	(\$94.6)	(\$334.6)
"As- Is" B/(P)	\$0.0	\$20.0	\$0.0	\$20.0
				\$0.0
ECC Summary 2020 - '22 Cash flow before Borrowing				
	2020	2021	2022	3 Yrs Ttl
ECC Continues "As-Is"	(\$160.1)	(\$110.8)	\$87.7	(\$183.2)
Closure Jan 2021	(\$212.0)	(\$74.6)	(\$24.0)	(\$310.7)
"As- Is" B/(P)	\$52.0	(\$36.1)	\$111.6	\$127.5
				\$0.0
Total IUCC - 2020 - 2022 Cash flow before Borrowing				
	2020	2021	2022	3 Yrs Ttl
Continue "As-Is"	(\$246.2)	(\$232.4)	(\$6.9)	(\$485.6)
Closure 2021	(\$298.2)	(\$216.3)	(\$118.6)	(\$633.1)
"As- Is" B/(P) ECC Closure	\$52.0	(\$16.1)	\$111.6	\$147.5
				\$0.0
Total Church + ECC	52.0	(16.1)	111.6	147.5

Table 5. Continue "As-Is" ECC vs. Closure ECC 2021/reopen 2022. This analysis compares Scenario A to "Continue operating the ECC "As-Is" through 2021" and going forward. And Scenario B is temporarily closing down the ECC beginning Jan 1st 2021 and through that fiscal year with 2022 reopen.

The summary shows the general fund top, the ECC in the 2nd section and Total IUCC in the 3rd section. The ECC over 2020- 2022 would produce cash flow before borrowing of a loss of (\$183) thous. vs. temporarily closing down of a cash loss of (\$311) thous., or a \$128 thous. advantage to continuing operations. The general fund has a small advantage of \$20 thous. (call it breakeven) to keeping the ECC open, so in total the advantage to keeping open is \$148 thous. over the 3 years, plus the impact in 2023 which is not calculated in here but under these type of assumptions would favor Scenario A as well.

Based on this forecast, the results in 2021 would be about the same under (i.e., (\$16) thous loss) either forecasted Scenario A or B, and the results in 2022 would be far superior under the Continuing to Operate Scenario A as we wouldn't lose our kids and have to re-staff in 2022.

Plus Scenario B - closure in 2021 and a cold-restart in 2022 **does not assure us** that at the end of 2022 or 1st half of 2023 the ECC will be profitable. Most likely we would have continued losses or a small breakeven in 2023, which would require more borrowing and more P&I payments going forward.

CAVEAT/UPSIDE: Only reason this analysis would be invalid is if the losses in 2021 for the ECC are much greater than forecasted. But given the present trend this is unlikely. No additional PPP loan is assumed at this point which would also change the analysis.