

BUSINESS PLAN / FINANCIAL FORECAST

Little Lantern

Little Lantern proposes full-day care across five single-age programs, with paid classroom and relief coverage, a director, administration and food-service support.

PLANNING EDITION / 2026-10-24

YEAR 1 REVENUE

702,240.00

USD

YEAR 1 NET INCOME

-132,099.80

USD

STARTUP USES

280,885.47

USD

Your guide to the plan

Detailed · Clear & Professional | Investor fundraising

Forecast from 2027-01-01 | 3 operating years | USD | base

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Planning forecast. Assumptions require review; proposed funding is not secured.

01 Executive summary

Little Lantern proposes a full-day early-childhood center concept in Raleigh, North Carolina, United States. Little Lantern proposes full-day care across five single-age programs, with paid classroom and relief coverage, a director, administration and food-service support. The central launch decision is: Can the proposed age mix and enrollment fund paid coverage and premises while licensing and room-by-room staffing remain launch conditions?

Business overview

Raleigh families seeking a defined full-day place for an infant, toddler or preschool child under a verified care agreement. Eighty proposed places and 55% average enrollment imply forty-four paid child-months monthly. Five age programs allocate that pool in planned room proportions of ten, twelve, sixteen, twenty and twenty-two places. These are design assumptions, not issued licensed capacity; staffing and site approval remain separate launch gates. The scenario is limited to this operating format; activity outside it needs its own inputs.

Key priorities

Seek documented family needs and conditional interest, then validate actual paid enrollment only after permission to operate. Inquiry and waiting-list counts do not equal occupied places. Track the age mix because demand in one room cannot automatically fill a place allocated to another. The proposed first operating month is January 2027. The owner should confirm service readiness, paid staffing and available cash before opening the calendar.

Financial highlights

The proposal requires \$566,255.45 in equity. Launch spending is \$280,885.47, leaving \$285,369.98 in opening cash. Year 1 revenue is \$702,240.00 and net income is -\$132,099.80. The first-year operating shortfall means sales do not yet cover the paid team and overhead. Funding provides time to establish demand; it does not remove that shortfall. The initial project outlay is not recovered within three operating years.

02 Company & management

Little Lantern proposes the operating format described in this example. The responsible management team must confirm legal formation, scope, paid staffing, commercial terms and cash controls before opening.

Company background

Little Lantern is a fictional Raleigh center proposal with five separate age rooms. The planned places and premises area are design assumptions, not licensed capacity. State licensing and Raleigh site review remain prerequisites; no lease, approval, inspection result or actual child enrollment is supplied.

Ownership & management

The proposed owner contribution is \$566,255.45 and covers all modeled equity. No external equity is included. Contributions and operating remuneration are separate; the listed paid roles do not establish the owner's employment or tax status.

Team & responsibilities

Classroom teachers and relief, a center director, prorated assistant/office coverage and a cook are paid separately. Working-owner management can sit in the director budget only after the actual qualification requirements are met. Administrative or kitchen work is not silently counted as simultaneous classroom supervision. Teachers/relief: 10 × \$3,250.00 monthly, with no employer-cost allowance; Center director: 1 × \$5,166.67 monthly, with no employer-cost allowance; Assistant/office: 1 × \$1,666.67 monthly, with no employer-cost allowance; Food-service cook: 1 × \$2,916.67 monthly, with no employer-cost allowance. Paid roles are counted once in operating expenses. A zero employer allowance excludes burden from the forecast; it does not prove that no statutory charge or benefit is owed. Confirm the actual roster and fully loaded pay before launch.

03

Products & business model

The offer is limited to work the team can define, price and deliver consistently. Each agreement should identify the buyer, included tasks, access requirements, deliverables, acceptance and payment terms.

Products & services

Infant, toddler, two-year-old, three-year-old and Pre-K care divide the paid child-month pool. Fees are monthly earned tuition, not daily attendance tickets. Fractional enrolled places are planning averages; an actual room roster contains whole children and must follow age and group constraints.

Pricing & revenue streams

80 available enrolled child-month units per month × 55% utilization = 44 sold units before ramp and seasonality. This shared capacity pool allocates completed work. 5 mutually exclusive service shares allocate that pool once. Each price is per enrolled child-month. The 1-month ramp, 0% annual requested-volume growth, normalized monthly seasonality and 2% annual price growth are illustrative. Fractional units are expected monthly averages, not partial completed customer assignments. Actual scheduling, completed work and collections still need validation. Infant care: 12.5% of the shared capacity at \$1,600.00 per enrolled child-month. Toddler care: 15% of the shared capacity at \$1,450.00 per enrolled child-month. Age two care: 20% of the shared capacity at \$1,350.00 per enrolled child-month. Age three care: 25% of the shared capacity at \$1,250.00 per enrolled child-month. Pre-K care: 27.5% of the shared capacity at \$1,200.00 per enrolled child-month. Fees exclude customer sales tax. Confirm scope and any exceptional materials before accepting a fixed price. Displayed shares are rounded to two decimals; calculations retain the full-precision mix.

Customer value

The proposed benefit is a clearly defined care schedule and age-appropriate program with reliable communication. Qualifications, safety procedures and the real care environment require verification. The plan claims no star rating, child-development outcome, inspection pass or already licensed operator.

04 Market & competition

The initial market is the specific buyer and buying occasion described below. The launch should be justified by paid work in a practical service area, rather than by applying a market-share percentage to a broad industry estimate.

Target customers

Raleigh families seeking a defined full-day place for an infant, toddler or preschool child under a verified care agreement. Confirm who commissions the work, who supplies access or records and who authorizes payment. Keep the initial territory small enough to support the promised response and delivery time.

Demand & validation

Seek documented family needs and conditional interest, then validate actual paid enrollment only after permission to operate. Inquiry and waiting-list counts do not equal occupied places. Track the age mix because demand in one room cannot automatically fill a place allocated to another.

Competition & positioning

Families may consider other centers, licensed home care, family care or a different work schedule. Compare operating hours, age eligibility, actual availability and total contract terms. No local availability shortage or superior educational quality has been demonstrated for this proposal.

05 Marketing & sales

The acquisition process should bring in work that fits the team and produces collected contribution after delivery costs. Track qualified opportunities, accepted quotes, completed work and cash received as separate steps.

Customer acquisition

Proposed enrollment activity explains the selected ages, hours and opening conditions accurately within the marketing budget. Separate interested families from signed and paid places. Avoid advertising issued capacity or guaranteed opening dates while site, staffing and licensing work remains unresolved.

Sales process

Explain the care agreement and billing policy, confirm age and available approved place, and collect tuition under actual terms. The simplified model earns one month of care and uses a rounded collection lag. Advance tuition liabilities, deposits and refunds require a fuller cash schedule before real enrollment.

Retention & measurement

Track continued paid enrollment, family feedback and attendance without assuming every place renews. Record changes of age group and withdrawal notice accurately. A full waiting list is not revenue, and unused infant capacity cannot be sold as an unapproved older-child room.

06

Operations & milestones

Operating delivery must fit the actual premises, equipment, paid roster and service window. Confirm required resources and permissions before accepting customer or participant commitments.

Facilities & resources

Safety/classroom fit-out, furniture/cribs/cots, playground, kitchen, access control, office and laundry equipment form the asset plan. Food and classroom consumables are stocked; outside substitutes/enrichment are purchased services. The premises design and installed package require actual inspection and quotations. Nonrefundable opening payments are prelaunch design permits USD5000.00; prelaunch preopen pay USD12000.00; prelaunch launch marketing USD6000.00; prelaunch legal USD4000.00. These are preopening payments, distinct from ongoing payroll and overhead. The launch asset budget is Leasehold safety and classroom fit-out: \$120,000.00; Classroom furniture cribs and cots: \$45,000.00; Fenced playground and equipment: \$35,000.00; Kitchen refrigeration and appliances: \$15,000.00; Access control and security systems: \$8,000.00; Office computers and furniture: \$6,000.00; Durable laundry equipment: \$5,000.00; prelaunch deposit: \$18,000.00.

Service delivery

Approve the child and room roster, maintain qualified coverage through the ten-hour day, deliver care and meals, communicate with families and reconcile attendance and tuition. NC guidance separates single-age ratio and group limits. The aggregate monthly payroll budget does not certify compliance throughout breaks, opening and closing.

Launch & development milestones

Confirm the proposed site and measured rooms with the relevant authorities, establish required qualifications and screening, and prepare a room-by-room coverage roster before making an opening commitment. Validate enrollment interest and costs, then review cash at the retained low opening enrollment.

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Funding request & use of funds

All proposed equity must be available before launch payments. The funding plan separates equipment and setup spending from the cash reserve needed to support operations.

Use of funds

Launch spending totals \$280,885.47: \$252,000.00 for assets and refundable deposits, \$27,000.00 for expensed setup and \$1,885.47 for opening inventory. Refundable deposits (prelaunch deposit: \$18,000.00) are paid once before opening and held at cost without depreciation in the planning asset ledger. This aggregates their carrying value with other assets as a planning proxy; refund timing, impairment and formal accounting classification are not modeled. Deposit cash is unavailable for operations. Additional site work needs scoped quotes.

Sources of funding

Total proposed equity is \$566,255.45, entirely from the owner. This contribution is uncommitted. No external investors or borrowing are included, and financing receipts are separate from earned revenue.

Owner contribution

The owner must confirm availability and transfer of the proposed \$566,255.45 contribution. The saved payroll rows fund continuing operating work separately from contributed capital. Equipment, setup, supplier and payroll obligations require cash even when additional time is contributed.

Funding request

No external equity is requested. Receiving the proposed owner equity leaves \$285,369.98 of opening cash and a forecast funding gap of \$0.00. Confirm the owner's available funds and transfer date before committing launch payments.

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Financial plan

The forecast covers January 2027-December 2029 in USD, with launch spending reported separately. Its usefulness depends on the service mix, fee, staffing cost and collection terms below.

Forecast assumptions

80 available enrolled child-month units per month $\times$ 55% utilization = 44 sold units before ramp and seasonality. This shared capacity pool allocates completed work. 5 mutually exclusive service shares allocate that pool once. Each price is per enrolled child-month. The 1-month ramp, 0% annual requested-volume growth, normalized monthly seasonality and 2% annual price growth are illustrative. Fractional units are expected monthly averages, not partial

completed customer assignments. Actual scheduling, completed work and collections still need validation.

Named direct costs total 8.5% of operating receipts. Food and meal consumables: 5% of operating receipts, 100% allocated to tangible stock; Classroom consumables: 2% of operating receipts, 100% allocated to tangible stock; External substitutes and enrichment: 1.5% of operating receipts, 0% allocated to tangible stock. Only tangible material shares enter purchased stock; purchased services, assistance and paid employee costs do not. All paid-role rows remain separate operating expenses. Fixed salary and overhead assumptions grow 3% annually. Collections use 1 days. Inventory uses 14 physical material days applied once to each material share. Supplier payments use 12 effective total-direct-cost days across material purchases and outside services, a blended timing approximation rather than a material-only credit schedule. Displayed rates and stock days are rounded to two decimals; calculations retain full input precision. The 0% income-tax provision is a scenario input. Entity income taxes are excluded; the resulting net figure is before those omitted taxes. This establishes no exempt status. Personal taxes and customer sales-tax remittances are outside this scenario. Role-specific employer allowances follow the saved payroll rows.

Financial outlook

Year 1: revenue \$702,240.00, EBITDA -\$84,499.80, net income -\$132,099.80 and closing cash \$200,883.01. Year 2: revenue \$716,284.80, EBITDA -\$93,305.88, net income -\$140,905.88 and closing cash \$107,539.68. Year 3: revenue \$730,610.52, EBITDA -\$102,501.48, net income -\$150,101.48 and closing cash \$5,000.00. The first-year operating shortfall means sales do not yet cover the paid team and overhead. Funding provides time to establish demand; it does not remove that shortfall. EBITDA excludes depreciation, interest and income tax; net income includes depreciation and the tax provision.

Cash needs & financial resilience

The lowest forecast cash balance is \$5,000.00, and the funding gap is \$0.00. Positive monthly operating EBITDA is not reached within the three years. The initial project outlay is not recovered within three operating years. Cash differs from profit because of equipment spending, depreciation, collection delays and financing. Review the monthly low point before committing the reserve.

Debt & repayment

No debt or investor distributions are included. Any borrowing option needs an amount, draw date, interest rate and repayment schedule before its affordability can be assessed. Pre-tax project payback measures recovery of the operating investment; it is not a promised dividend, investor return or financing approval.

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Risks & contingencies

The main exposure is committing paid resources before collected sales justify them. The owner should use the service-specific risks below to decide when to narrow the offer, defer spending or stop.

Key risks

Low enrollment leaves substantial classroom pay and premises commitments in place. Age-specific demand, staff absence or a site approval problem can prevent a planned place from being sold. Monthly average child counts cannot prove that every actual day meets supervision, ratio and group-size requirements.

Contingency actions

Keep age-room rosters and relief coverage explicit, verify the opening pathway and use conditional commitments while approvals remain pending. Test fewer paid places and slower tuition receipts with the full paid coverage retained. Delay opening if the approved layout, qualified staffing or available cash is insufficient. Original proposed owner equity was USD476290.96. With identical operating inputs its forecast minimum cash was USD-84964.49 and funding gap USD84964.49. Additional illustrative owner reserve USD89964.49 raises proposed equity to USD566255.45, targeting USD5000.00 minimum model cash. This cash target is a scenario choice, not a market standard or committed funding; it does not improve operating profit.

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Supporting documents

The launch decision needs commercial evidence as well as a forecast. Maintain an organized working file so that costs, commitments and delivery capacity can be reviewed before money is spent.

Available supporting information

The operating proposal defines the customer, service boundary, paid roles, launch assets and collection terms. The accompanying annual financial statements set out earnings, cash flow and the balance sheet for the three-year period. All funding remains a proposal; the business is at the prelaunch stage.

Documents to obtain

Actual site and measured room review, licensing/inspection decisions, verified personnel qualifications and screening, daily coverage, family agreements, paid enrollment evidence, installed quotes and owner-funding availability remain outstanding. No license, star rating, subsidy award or guaranteed child outcome is supplied. Record the actual fee, total delivery effort and date of payment for each trial assignment. Update the forecast and funding decision when quotes, commitments or measured results change a material assumption.

THE FINANCIAL FORECAST

Annual financial appendix

All amounts are USD and cover the forecast period. Operating years exclude pre-opening expenses; closing balances are never added together.

Cash & operating summary

Indicator	USD
Minimum cash, including prelaunch	5,000.00
Unfunded cash gap	0.00
Operating-period net income	-423,107.16
Final closing cash	5,000.00

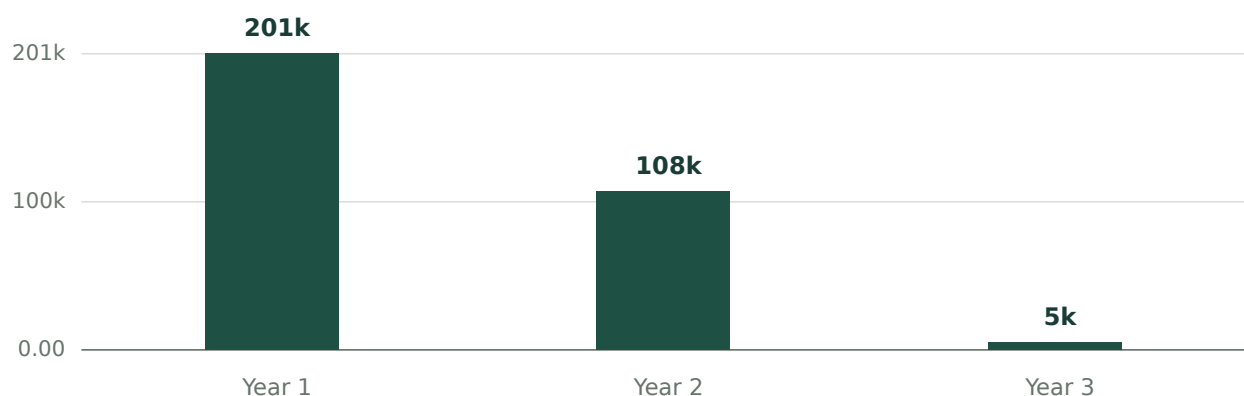
Profit and loss - USD

Item	Year 1	Year 2	Year 3
Revenue	702,240.00	716,284.80	730,610.52
Cost of goods sold	59,690.40	60,884.28	62,101.80
Gross profit	642,549.60	655,400.52	668,508.72
Operating expenses	727,049.40	748,706.40	771,010.20
EBITDA	-84,499.80	-93,305.88	-102,501.48
Depreciation	47,600.00	47,600.00	47,600.00
Interest expense	0.00	0.00	0.00
Income tax	0.00	0.00	0.00
Net income	-132,099.80	-140,905.88	-150,101.48

Cash flow - USD

Item	Year 1	Year 2	Year 3
Opening cash	285,369.98	200,883.01	107,539.68
Operating cash flow	-84,486.97	-93,343.33	-102,539.68
Investing cash flow	0.00	0.00	0.00
Financing cash flow	0.00	0.00	0.00
Net cash movement	-84,486.97	-93,343.33	-102,539.68
Closing cash	200,883.01	107,539.68	5,000.00

Closing cash, year by year



Year-end cash balances. Exact figures appear in the cash-flow table above.

Balance sheet - USD

Item	Year 1	Year 2	Year 3
Cash	200,883.01	107,539.68	5,000.00
Receivables	1,950.67	1,989.68	2,029.47
Inventory	1,911.65	1,949.89	1,988.88
Assets and deposits	204,400.00	156,800.00	109,200.00
Total assets	409,145.33	268,279.25	118,218.35
Payables	1,989.68	2,029.48	2,070.06
Loan balances	0.00	0.00	0.00
Total liabilities	1,989.68	2,029.48	2,070.06
Equity	407,155.65	266,249.77	116,148.29
Reconciliation difference	0.00	0.00	0.00

Launch budget & proposed funding

Item	USD
Setup expenses	27,000.00
Asset purchases	252,000.00
Opening stock purchases	1,885.47
Equity contributions	566,255.45
Loan proceeds	0.00
Cash at launch	285,369.98
Opening inventory balance	1,885.47
Opening loan balance	0.00

Operating break-even - USD

Measure	Year 1	Year 2	Year 3
Break-even revenue	796,864.64	820,770.68	845,393.81
Margin of safety	-94,624.64	-104,485.88	-114,783.29

Project payback

Measure	Forecast result
Initial project outlay (USD)	280,885.47
Payback	Not recovered within the forecast
Final cumulative project cash (USD)	-561,255.45

Review before committing

11 financial checks passed; 0 require attention. The forecast is a planning scenario, not an audit, financing approval or promised return.

Planning model, not audited accounts or tax advice. Revenue follows the selected sales or service activity. Any modeled subscriptions use monthly billing. Annual prepayments, milestone invoices, unbilled contract assets, customer taxes, seller settlements, capitalized interest and tax-loss carryforwards are not modeled. Refundable launch deposits are included at cost; refund timing, impairment and formal classification are outside scope.

Collection and supplier terms use 30-day monthly interpolation. Inventory purchases and non-stock direct costs use supplier terms; operating costs, setup costs, taxes and opening stock are paid immediately. Stock coverage applies only to linked goods costs. Production stock is tracked separately at unit cost.

Entity-level income tax is set to zero. No jurisdictional tax rules or owner personal taxes have been inferred.

Fictional editorial scenario. Prices, workload, base pay, expenses and owner funding are illustrative inputs. They are not current quotes, market averages, verified demand or actual company results. Employer taxes, benefits and income taxes are excluded; resulting net income is before omitted taxes.

Source initial scale, mix, base prices and paid roles are retained for Jan2027-Dec2029; later expansion is omitted. Volume is flat, prices grow2% and base/fixed costs3%. Income taxes and employer burden are excluded, not exempt. Named material COGS use physical stock days once; payable days retain the source effective mixed-cost input. Refundable deposits are paid once as nondepreciating asset-ledger proxies; refund timing is not modeled. Native depreciation is added. Full scope/timing changes are explained in the operating prose.

Role-specific employer-cost allowances follow the saved paid-role rows; zero excludes employer burden rather than proving no obligation. The 0% income-tax provision is an explicit scenario input. A zero input excludes entity income taxes from these results and establishes no exemption; personal taxes, customer sales-tax receipts/remittances and distributions are outside the scenario.

All equity is proposed, uncommitted month-0 cash. No debt is modeled. Opening cash is a reserve, not an extra startup expense. Asset/setup/insurance/premises allowances need scoped quotes; the listed refundable deposits are included, while unquoted additional site works are excluded.

Inventory days are physical material coverage applied once to each named COGS row's inventory share. Payment days are the effective blended delay across all direct-cost purchases and services, not a physical material supplier term. The shared payment schedule is a simplified timing proxy; material-specific supplier schedules are not modeled.

Refundable deposits are paid once before opening and retained at cost without depreciation in the planning asset ledger. Assets and deposits are aggregated as a planning proxy; their formal accounting classification, impairment, refund timing and recovery are not modeled. Deposit cash is not available operating cash.

Calculation basis: operating and pre-opening periods remain separate. Stock, supplier terms, depreciation and debt terms affect profit and cash differently. Payback is project cash before financing, not an investor distribution. Review the assumptions and accounting policies alongside these statements.