



**KANSAS CITY
INTERNATIONAL
ACADEMY**

FY22-23 Budget

PREPARED **JUNE 28, 2022** BY

EdOps

Executive Summary

THE PROCESS

- As in prior years, the school is required to provide a board approved 1-year budget for the fiscal year (FY) covering 07/01/2022-06/30/2023.
- We developed this budget using historical revenue and expense information, as well as inputs about enrollment, staffing and programmatic changes from the school.
- There are several factors to consider over the next 3-5 years with Charter School financials. In addition to the 1-year budget, we have provided a 5-year proforma to demonstrate 4 potential scenarios.

BUDGET OVERVIEW

- The FY23 budget maintains a cash balance well above the recommended 60 days of cash, projected to end the year with **\$4.65M**.
- The FY23 budget increases by about \$2M overall in revenue and expense compared to last year.
- The school's staffing increases by 6 positions.
- ESSER funding is budgeted the next two years, with \$2M in FY23 and \$1.2M in FY24.

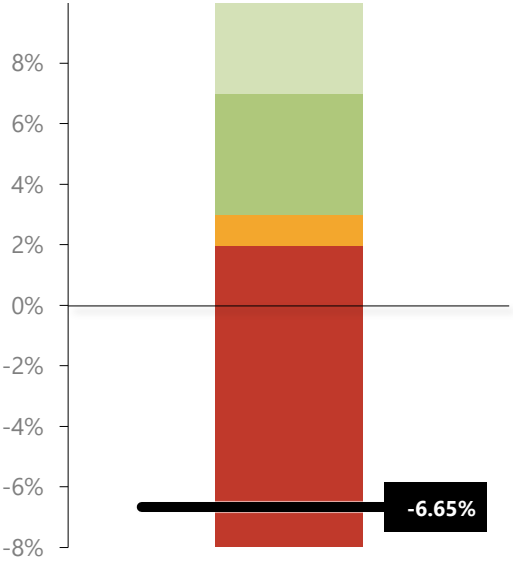
Net Income and Gross Margin

NET INCOME



Revenue	14,055,224
Expenses	14,989,752
Net Income	-934,528

GROSS MARGIN



Revenue	14,055,224
Expenses	14,989,752
Net Income	-934,528
Gross Margin	-6.65%

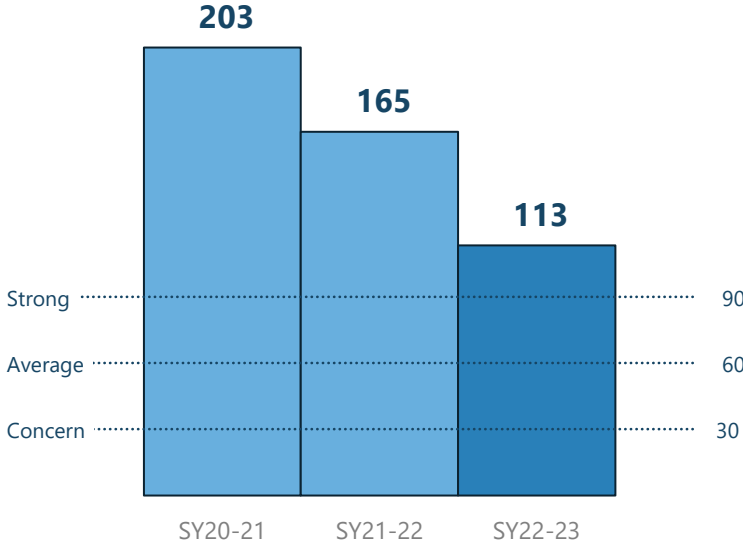
Gross Margin = Net Income / Revenue

COMMENTS

The forecasted net income is -\$934,528 on \$14,055,224 in revenue. This yields -6.65% in gross margin.

Ending Cash and Days of Cash

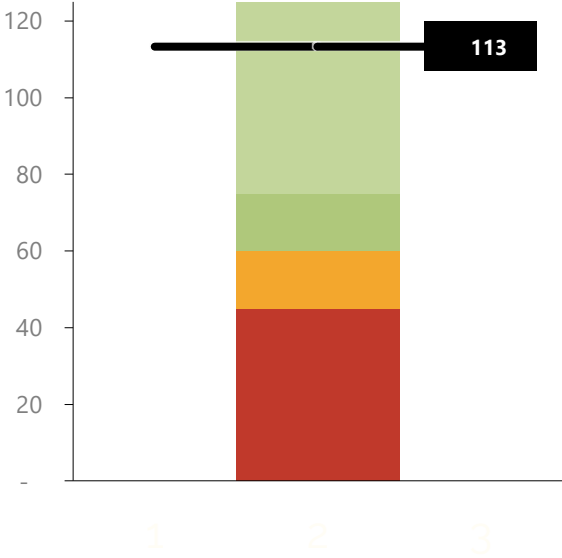
DAYS OF CASH TREND



113 DAYS OF CASH AT YEAR'S END

The budget predicts that we will end the year with 113 days of cash, which is 52 days less than the cash forecast for 6/30/22.

DAYS OF CASH



Starting Cash	5,590,115
Net Income	-934,528
Net Annual Cash Increase	-934,528
Ending Cash	4,655,586

COMMENTS

We are predicting 113 days of cash at 6/30/23. This is based upon ending the year with 4,655,586 in cash.

FY23 Budget

REVENUE

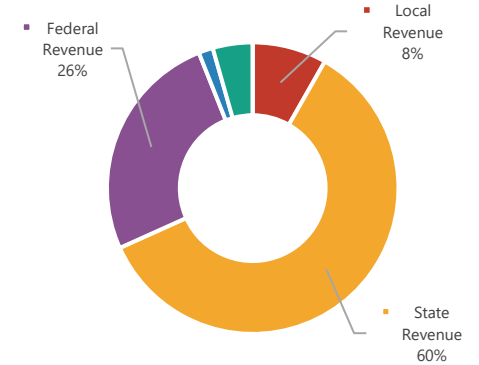
Local Revenue	1,158,546
State Revenue	8,437,378
Federal Revenue	3,612,300
Private Grants and Donations	225,000
Earned Fees	622,000
Total Revenue	14,055,224

EXPENSES

Salaries	7,464,279
Benefits and Taxes	2,036,672
Staff-Related Costs	135,364
Occupancy Service	1,809,004
Student Expense, Direct	1,203,496
Student Expense, Indirect	688,506
Office & Business Expense	425,263
Transportation	1,070,640
Interest	156,528
Total Expenses	14,989,752
Net Income	(934,528)

REVENUE

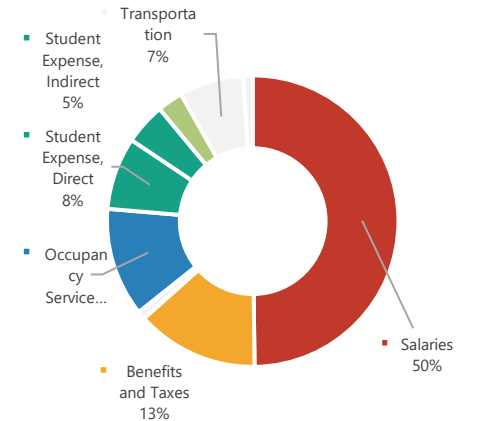
We have budgeted **\$14,055,224** in revenue based upon 670 students, and a WADA payment of \$8,383 per student. The largest components of revenue are \$8.4m (60.0%) in State Revenue and \$3.6m (25.7%) in Federal Revenue.



ESSER funding revenue is \$2.05M in FY23. FY24 includes \$1.24 M in ESSER III

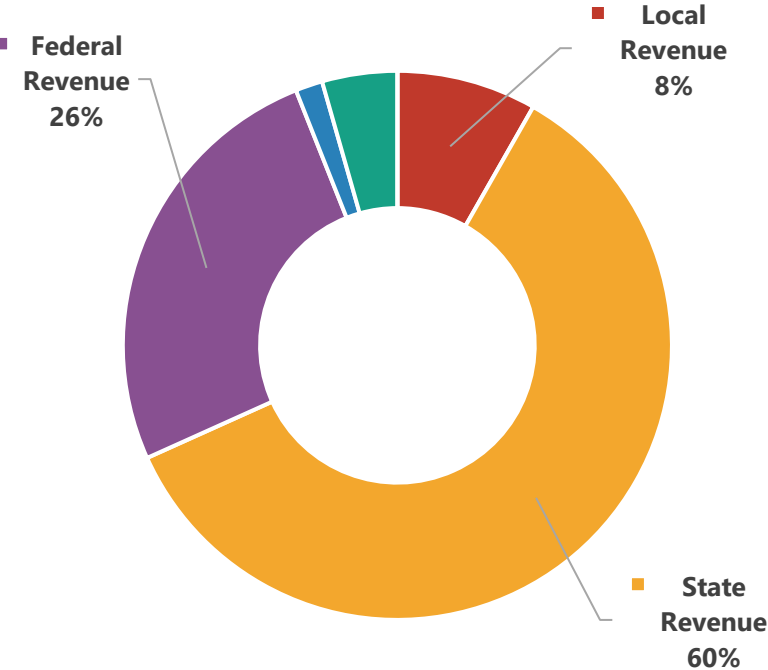
EXPENSES

We have budgeted **\$14,989,752** in expenses based on 127 staff. The largest components of expense are \$7,464,279 (49.8%) in Salaries and \$2,036,672 (13.6%) in Benefits and Taxes.



Revenue | Overview

FY23 BUDGETED REVENUE %



COMMENTS

We have budgeted **\$14,055,220** in revenue for FY22-23, which is \$2m more than the amount forecasted for the year before.

The largest components of revenue are State Revenue (60.0%) and Federal Revenue (25.7%).

State

- Target students 712, with 1st-day enrollment of 686
- 2% attrition, 91% attendance → ADA 617
- WADA of 952, which is 17 lower than FY22 due to the Emergency Rule.
- \$398k Prior year adjustment included due to DESE June Payment.

Federal

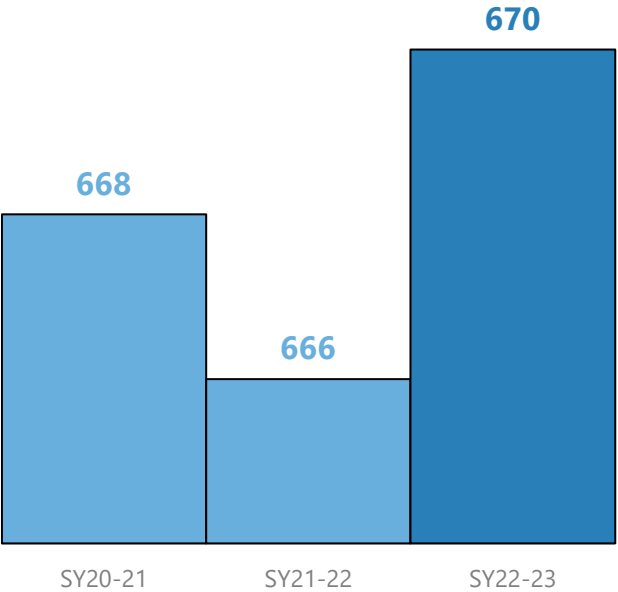
FY23 budget includes \$2M in ESSER funds

- FY23 \$2M, which is ESSER II & III
- FY24 \$1.2M which is ESSER III

Draws are flexible based on actual spending

Revenue | Enrollment Assumptions Detail

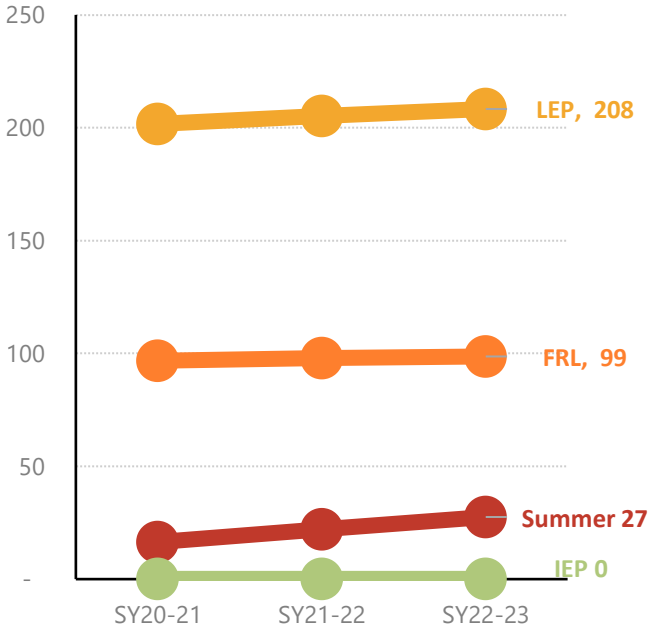
ENROLLMENT



ENROLLMENT TRENDS

Enrollment trends remain steady from year to year.

SPECIAL POPULATIONS



WADA

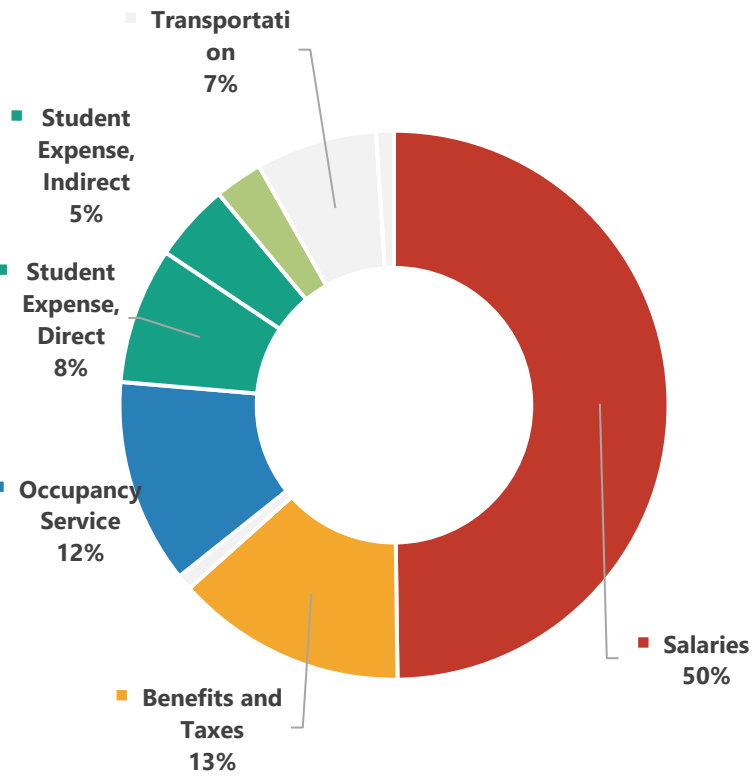
Weighted Average Daily Attendance is the ADA plus special populations Weights.

WADA DETAIL

	FY 23
End of Year Enrollment	670
Attendance Rate	91%
Regular Term ADA	617
Summer ADA	27
FRL	99
LEP	208
WADA	951
Per WADA amount	\$8,383

Expenses | Overview

FY23 BUDGETED EXPENSE %



COMMENTS

We have budgeted **\$14,989,750** in expenses for FY22-23, which is \$2.6m more than the amount forecasted for the year before.

The largest components of expenses are Salaries (49.8%) and Benefits and Taxes (13.6%).

Highlighted year-to-year changes:

- \$939k increase in Occupancy Service-Capital expense \$1.25M
- \$835k increase in Salaries
- \$281k increase in Transportation
- \$249k increase in Benefits and Taxes
- \$203k increase in Student Expense, Direct-Outside tuition increase

Salaries

- 107 Teaching Instructional Staff (Increase by 4 positions from FY22)
- 7 Instructional support Staff (Increase 1 position)
- 13 Administrative Staff (Increase 1, SPED Director)

Appendix | Profit and Loss Changes

Income Statement	FY21-22	FY22-23	Difference	Comments
Revenue				
Local Revenue	1,177,395	1,158,546	(18,849)	Prop C \$1195 per WADA
State Revenue	7,512,925	8,437,378	924,453	Includes \$398k prior year adjustment; \$8383 state reimbursement rate
Federal Revenue	2,459,122	3,612,300	1,153,178	Increase in ESSER draw; Food \$126k increase
Private Grants and Donations	223,262	225,000	1,738	
Earned Fees	710,000	622,000	(88,000)	KCPS MOU conservative estimate
Total Revenue	12,082,703	14,055,224	1,972,521	
Operating Expense				
Salaries	6,629,653	7,464,279	(834,626)	\$750 salary schedule increase; 4% increase non-teacher;
Benefits and Taxes	1,787,902	2,036,672	(248,769)	Salary and Benefits 65% of expense budget
Staff-Related Costs	106,537	135,364	(28,827)	PD expenses
Occupancy Service	869,961	1,809,004	(939,043)	\$1.25M in capital
Student Expense, Direct	1,000,166	1,203,496	(203,330)	General increases plus outside tuition \$70k more
Student Expense, Indirect	595,050	688,506	(93,456)	Food Service increase
Office & Business Expense	439,718	425,263	14,455	
Transportation	789,622	1,070,640	(281,018)	Estimate transportation increase
Interest	156,536	156,528	8	
Total Expenses	12,375,145	14,989,752	(2,614,607)	
Net Income	(292,442)	(934,528)	(642,087)	

Proforma Scenario 1- ESSER Windup

Income Statement	SY22-23	SY23-24	SY24-25	SY25-26	SY26-27
Students	670	670	670	670	670
Total Employees	127	127	127	127	127
Revenue					
Local Revenue	1,158,546	1,137,430	1,146,991	1,162,220	1,162,224
State Revenue	8,437,378	8,117,017	8,227,046	8,231,016	8,235,064
Federal Revenue	3,612,300	2,871,154	1,669,573	1,698,903	1,728,778
Private Grants and Donations	225,000	-	-	-	-
Earned Fees	622,000	636,500	652,413	665,461	678,770
Total Revenue	14,055,224	12,762,100	11,696,023	11,757,599	11,804,837
Total Expenses	14,989,752	14,117,755	14,406,196	14,715,574	15,032,602
Net Income	(934,528)	(1,355,655)	(2,710,173)	(2,957,975)	(3,227,765)
Beginning Cash Balance	5,590,115	4,655,586	3,299,932	589,758	(2,368,216)
Net cash increase	(934,528)	(1,355,655)	(2,710,173)	(2,957,975)	(3,227,765)
Ending Cash Balance	4,655,586	3,299,932	589,758	(2,368,216)	(5,595,981)
Days of Cash	113	85	15	(59)	(136)
Gross Margin	-7%	-11%	-23%	-25%	-27%
Fund balance	31%	23%	4%	-16%	-37%

- The 5 Year Proforma outlines Net Income and Cash position as ESSER funds are fully spent by FY24.
- The goal is to demonstrate a sustainable model after COVID funding ends.
- Days of cash remain above 60 in FY24.

Proforma Scenario 2 NO Funding Equity and Staff Cuts

Income Statement	SY22-23	SY23-24	SY24-25	SY25-26	SY26-27
Students	670	670	670	670	670
Total Employees	127	112	112	112	112
Revenue					
Local Revenue	1,158,546	1,137,430	1,146,991	1,162,220	1,162,224
State Revenue	8,437,378	8,117,017	8,227,046	8,231,016	8,235,064
Federal Revenue	3,612,300	2,871,154	1,669,573	1,698,903	1,728,778
Private Grants and Donations	225,000	-	-	-	-
Earned Fees	622,000	621,760	637,304	650,050	663,051
Donated Revenue	-	-	-	-	-
Total Revenue	14,055,224	12,747,360	11,680,915	11,742,188	11,789,118
Total Expenses	14,989,752	13,137,495	13,407,771	13,694,300	13,987,850
Net Income	(934,528)	(390,135)	(1,726,857)	(1,952,112)	(2,198,732)
Beginning Cash Balance	5,590,115	4,655,586	4,265,451	2,538,595	586,483
Net cash increase	(934,528)	(390,135)	(1,726,857)	(1,952,112)	(2,198,732)
Ending Cash Balance	4,655,586	4,265,451	2,538,595	586,483	(1,612,249)
Days of Cash	113	119	69	16	(42)
Gross Margin	-7%	-3%	-15%	-17%	-19%
Fund balance	31%	32%	19%	4%	-12%

- The 5 Year Proforma outlines Net Income and Cash position as ESSER funds are fully spent by FY24, No funding equity and KCPS MOU remains.
- 15 staff are removed from FY24 budget
- With staffing changes KCIA is above 60 days of cash through FY25.

Proforma Scenario 3 Funding Equity in FY24

<u>Income Statement</u>	<u>SY22-23</u>	<u>SY23-24</u>	<u>SY24-25</u>	<u>SY25-26</u>	<u>SY26-27</u>
Students	670	670	670	670	670
Total Employees	127	127	127	127	127
Revenue					
Local Revenue	1,158,546	1,137,430	1,146,991	1,162,220	1,162,224
State Revenue	8,437,378	10,076,361	10,212,403	10,216,372	10,220,421
Federal Revenue	3,612,300	2,871,154	1,669,573	1,698,903	1,728,778
Private Grants and Donations	225,000	-	-	-	-
Earned Fees	622,000	-	-	-	-
Total Revenue	14,055,224	14,084,945	13,028,967	13,077,495	13,111,423
Total Expenses	14,989,752	14,117,755	14,406,196	14,715,574	15,032,602
Net Income	(934,528)	(32,810)	(1,377,229)	(1,638,079)	(1,921,178)
Beginning Cash Balance	5,590,115	4,655,586	4,622,776	3,245,547	1,607,468
Net cash increase	(934,528)	(32,810)	(1,377,229)	(1,638,079)	(1,921,178)
Ending Cash Balance	4,655,586	4,622,776	3,245,547	1,607,468	(313,710)
Days of Cash	113	120	82	40	(8)
Gross Margin	-7%	0%	-11%	-13%	-15%
Fund balance	31%	33%	23%	11%	-2%

- The 5 Year Proforma outlines Net Income and Cash position as ESSER funds are fully spent by FY24, Funding Equity begins in FY24, and KCPS MOU is deleted.
- The MO Governor has until July 14th to sign the legislation passed by the House and Senate.
- With Funding Equity days of cash is above 60 through FY25, and drops to 40 in FY26

Proforma Scenario 4 Funding Equity in FY24 and Staff Cuts

<u>Income Statement</u>	<u>SY22-23</u>	<u>SY23-24</u>	<u>SY24-25</u>	<u>SY25-26</u>	<u>SY26-27</u>
Students	670	670	670	670	670
Total Employees	127	112	112	112	112
Revenue					
Local Revenue	1,158,546	1,137,430	1,146,991	1,162,220	1,162,224
State Revenue	8,437,378	10,076,361	10,212,403	10,216,372	10,220,421
Federal Revenue	3,612,300	2,871,154	1,669,573	1,698,903	1,728,778
Private Grants and Donations	225,000	-	-	-	-
Earned Fees	622,000	-	-	-	-
Donated Revenue	-	-	-	-	-
Total Revenue	14,055,224	14,084,945	13,028,967	13,077,495	13,111,423
Operating Expense					
Total Expenses	14,989,752	13,137,495	13,407,771	13,694,300	13,987,850
Net Income	(934,528)	947,450	(378,804)	(616,805)	(876,427)
Beginning Cash Balance	5,590,115	4,655,586	5,603,036	5,224,232	4,607,427
Net cash increase	(934,528)	947,450	(378,804)	(616,805)	(876,427)
Ending Cash Balance	4,655,586	5,603,036	5,224,232	4,607,427	3,731,000
Days of Cash	113	156	142	123	97
Gross Margin	-7%	7%	-3%	-5%	-7%
Fund balance	31%	43%	39%	34%	27%

- The 5 Year Proforma outlines Net Income and Cash position as ESSER funds are fully spent by FY24, Funding Equity begins in FY24, and KCPS MOU is deleted
- Additionally, 15 staff are removed from the budget
- With Funding Equity AND staffing changes KCIA is well above 60 days of cash.

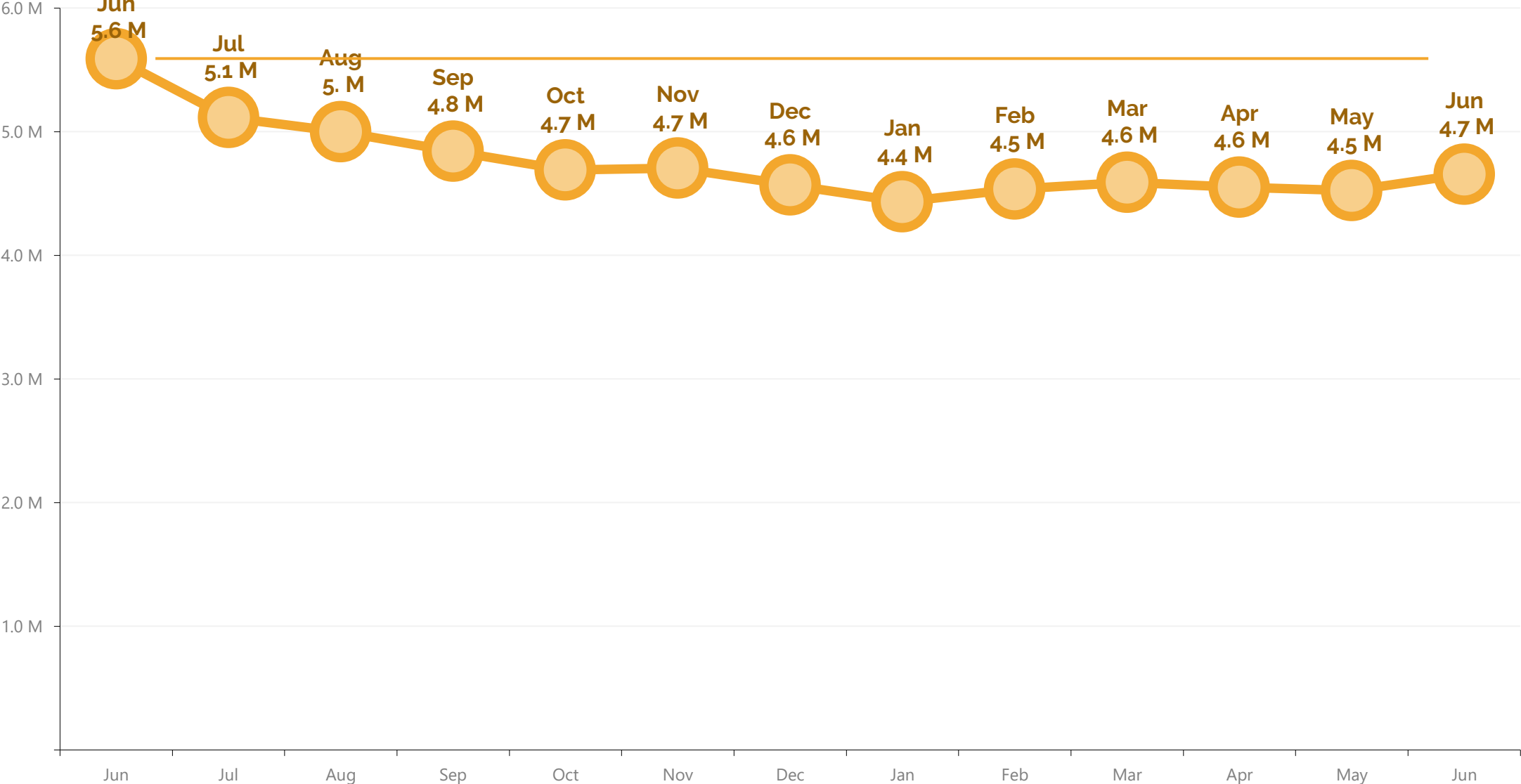


QUESTIONS?

Please contact your
EdOps Finance Specialist:

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(816) 985-5144

Appendix: Monthly Cash



**\$935k
Loss**