



GIRLS PREPARATORY
ACADEMY
KANSAS CITY

SY23-24 Budget

PREPARED JUNE 20, 2023 BY

EdOps

Executive Summary

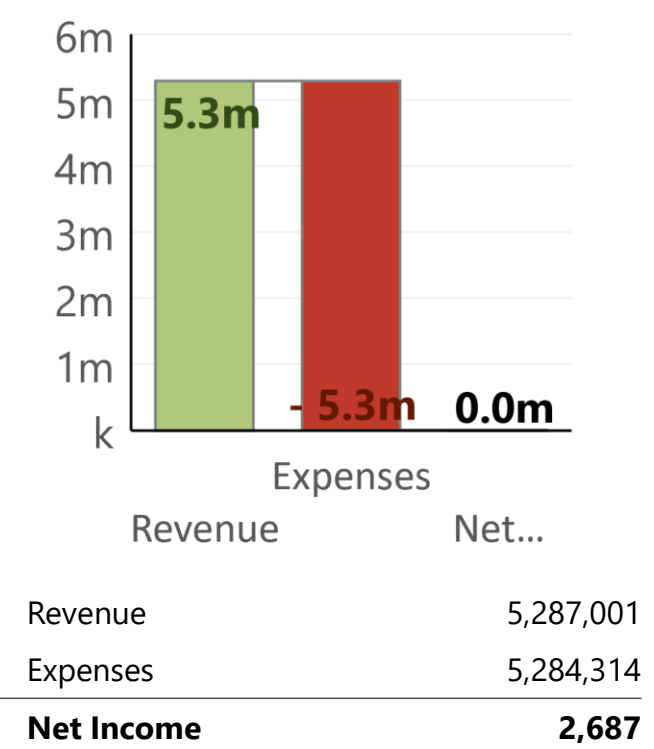
- The main challenge of the FY24 budget is providing the resources needed to open high school and build off programmatic momentum achieved in FY23 in an environment of declining federal revenue due to the expiration/ utilization of ESSER III.
- FY24 should be viewed as a 'start-up' year similar to the school's Founding year, when scale, while desirable, was not achievable.
- While the process did include a collaborative envisioning of the 'dream' program, the budget has gone through many iterations which has ultimately led to reducing expenses to the point where the vision remains achievable.
- As such, year-to-year non-staffing cost increases have been minimized to the extent possible.
- The end product requires a hefty fundraising target that the organization had hoped would be much less at this point in the school's life. However, given the success of fundraising this year, as well as other revenue generating initiatives underway, the target is not as daunting as it seems at face value.

Strategic Priorities

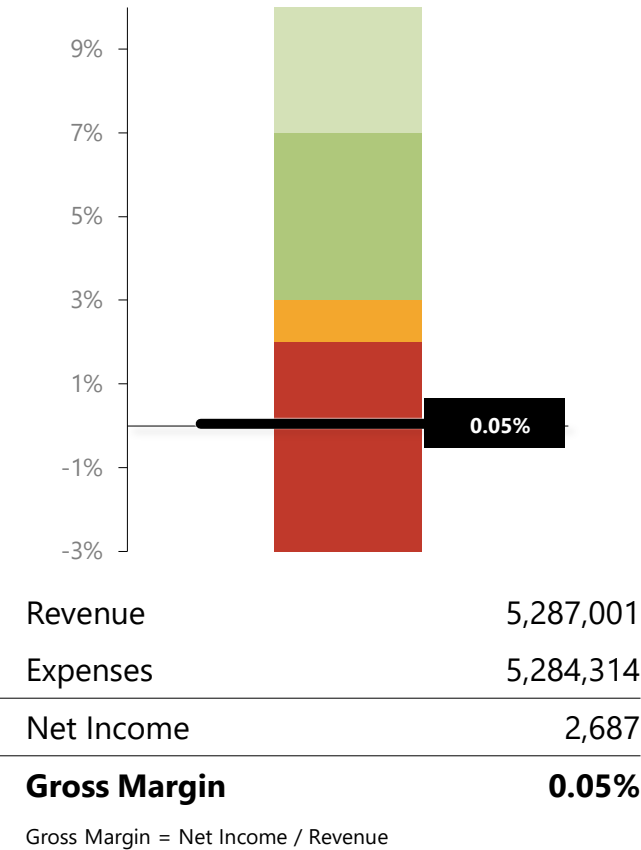
- Open the high school with an investment in resources needed for a successful 1st year.
- Build off of the programmatic success of FY23 to continue to build out the Middle School so that students are put in the most auspicious position to be successful.
- Continue moving towards the actualization of the school's mission and vision.

Net Income and Gross Margin

NET INCOME



GROSS MARGIN



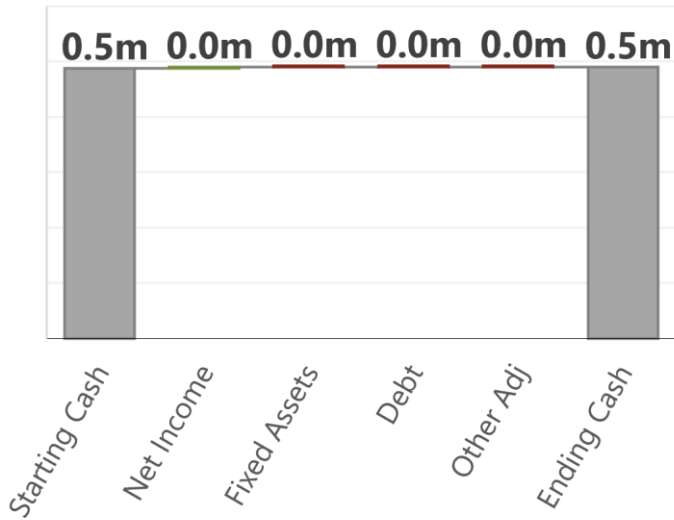
COMMENTS

The forecasted net income is \$2,687 on \$5,287,001 in revenue. This yields .05% in gross margin.

The goal in future years is to increase the operating surplus with a decreased dependence on fundraising.

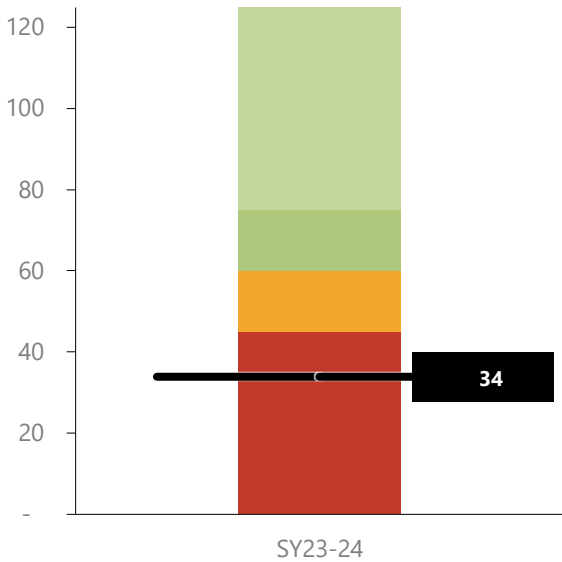
Ending Cash and Days of Cash

ENDING CASH WATERFALL



Starting Cash	487,315
Net Income	2,687
Fixed Assets	-
Debt	-
Other Adj	-
Net Annual Cash Increase	2,687
Ending Cash	490,001

DAYS OF CASH



COMMENTS

We are predicting 34 days of cash at 6/30/24. This is based upon ending the year with 490,001 in cash.

As the school grows to scale, it will be important to increase days of cash to best practice levels, with a near term target of 45 days and a three-year target of 60 days.

SY24 Budget

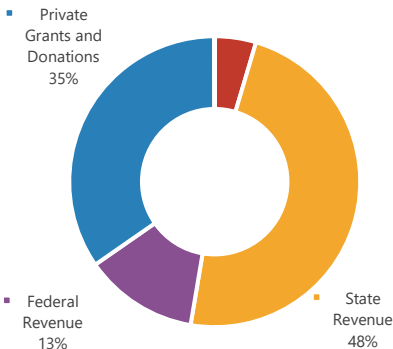
REVENUE	
Local Revenue	242,693
State Revenue	2,541,432
Federal Revenue	670,341
Private Grants and Donations	1,830,000
Earned Fees	2,535
Total Revenue	5,287,001

EXPENSES	
Salaries	2,677,004
Benefits and Taxes	750,453
Staff-Related Costs	71,723
Rent	108,000
Occupancy Service	430,914
Student Expense, Direct	400,086
Student Expense, Indirect	129,500
Office & Business Expense	400,760
Transportation	315,874
Total Expenses	5,284,314
Net Income	2,687

REVENUE

We have budgeted **\$5,287,001** in revenue based upon 195 students, and a WADA payment of \$11,000 per student. The largest components of revenue are \$2.5m (48.1%) in State Revenue and \$1.8m (34.6%) in Private Grants and Donations.

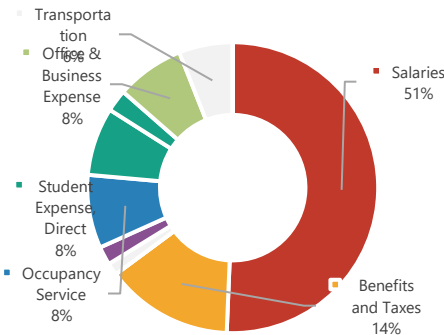
Clearly, it will be increasingly important to decrease % of private grants and donations. This will happen when enrollment targets are achieved on a consistent basis.



EXPENSES

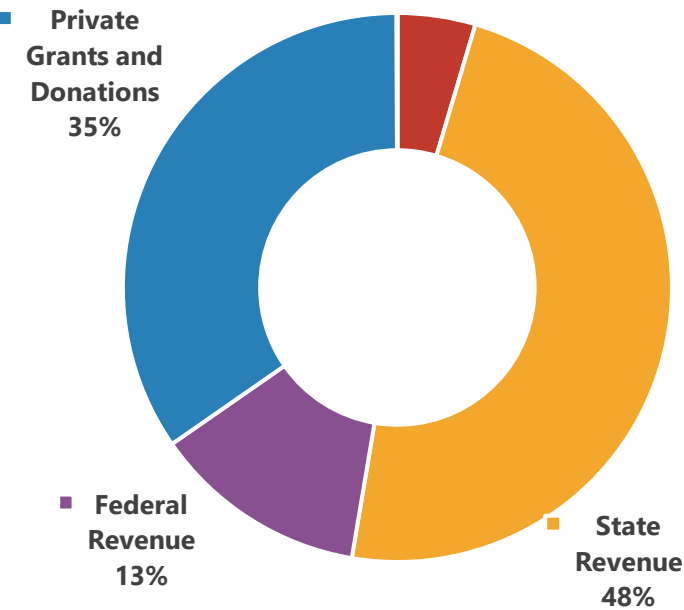
We have budgeted **\$5,284,314**. The largest components of expense are \$2,677,004 (50.7%) in Salaries and \$750,453 (14.2%) in Benefits and Taxes.

65% allocation of budget to staffing, while slightly higher than KC sector average, is in line with school's values and the backbone of any successful school, effective and committed teachers.

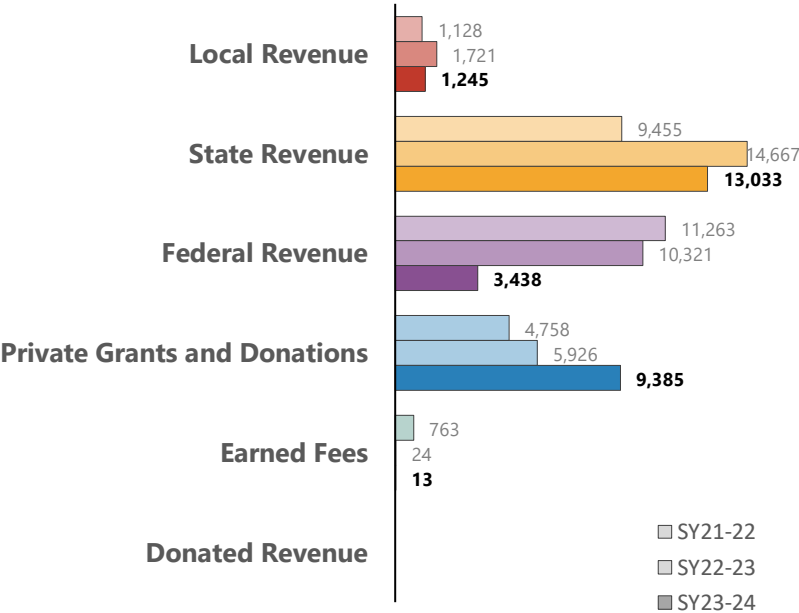


Revenue | Overview

SY24 BUDGETED REVENUE %



REVENUE PER STUDENT



COMMENTS

We have budgeted **\$5,287,001** in revenue for SY23-24, which is \$878k more than the amount forecasted for the year before.

The largest components of revenue are State Revenue (48.1%) and Private Grants and Donations (34.6%).

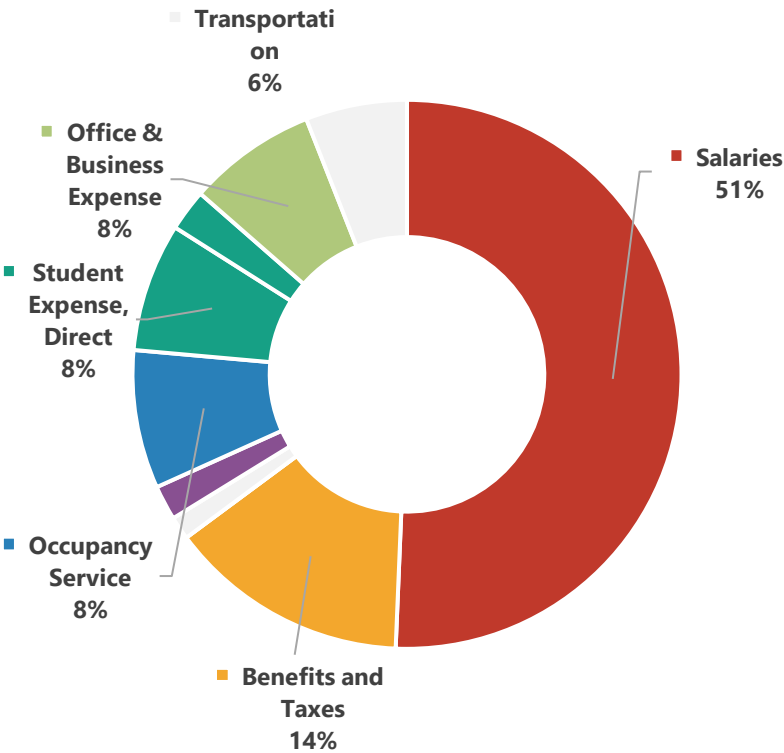
Highlighted year-to-year changes:

- \$1m increase (58.4% more per student) in Private Grants and Donations
- \$723k decrease (66.7% less per student) in Federal Revenue
- \$561k increase (11.1% less per student) in State Revenue

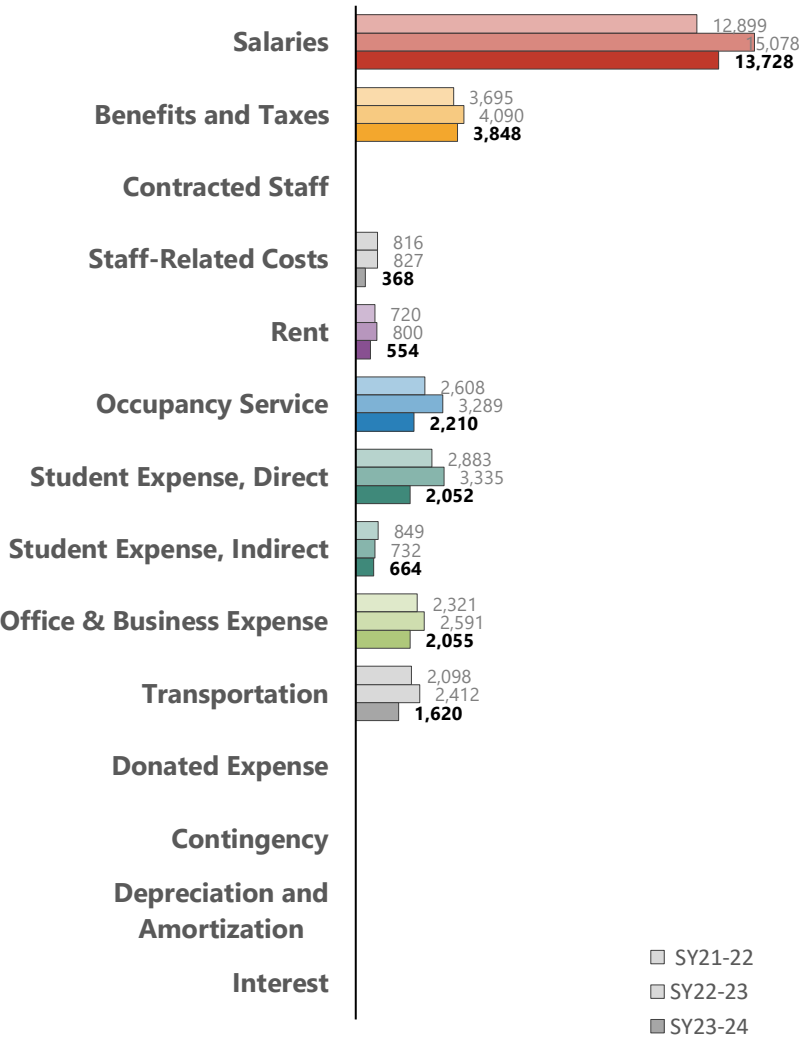
Herein lies the rub – the school is facing a one-time phenomenon of declining federal revenue due to expiration of ESSER. The state revenue has been projected more conservatively than in years past given this year’s enrollment actuals. When school hits enrollment targets, state rev/student will increase.

Expenses | Overview

SY24 BUDGETED EXPENSE %



EXPENSE PER STUDENT



COMMENTS

We have budgeted **\$5,284,314** in expenses for SY23-24, which is \$809k more than the amount forecasted for the year before.

The largest components of expenses are Salaries (50.7%) and Benefits and Taxes (14.2%).

- Highlighted year-to-year changes:
- \$642k increase (9.0% less per student) in Salaries
 - \$198k increase (5.9% less per student) in Benefits and Taxes

In addition to year-to-year salary increases, the bulk of the staff cost increase is from new high school positions. In future years, there will be new positions to accommodate grade level growth, but not in the same volume as FY24.

Appendix | Profit and Loss Changes

Income Statement	SY22-23	SY23-24	Difference	Comments
Revenue				
Local Revenue	232,286	242,693	10,406	Ideally, enrollment actuals are both hit and maintained moving forward; FY24 projection is conservative. this is the central challenge of FY24 budget!
State Revenue	1,980,028	2,541,432	561,404	
Federal Revenue	1,393,318	670,341	(722,977)	
Private Grants and Donations	800,000	1,830,000	1,030,000	
Earned Fees	3,240	2,535	(705)	
Donated Revenue	-	-	-	
Total Revenue	4,408,872	5,287,001	878,129	
Operating Expense				
Salaries	2,035,492	2,677,004	(641,512)	this increase is per pupil – more students = higher food service cost in total Related to tech needs for new teachers, increased insurance costs, and recruitment support
Benefits and Taxes	552,153	750,453	(198,300)	
Contracted Staff	-	-	-	
Staff-Related Costs	111,614	71,723	39,891	
Rent	108,000	108,000	-	
Occupancy Service	443,991	430,914	13,077	
Student Expense, Direct	450,240	400,086	50,154	
Student Expense, Indirect	98,812	129,500	(30,688)	
Office & Business Expense	349,765	400,760	(50,995)	
Transportation	325,555	315,874	9,681	
Donated Expense	-	-	-	
Contingency	-	-	-	
Depreciation and Amortization	-	-	-	
Interest	-	-	-	
Facility Improvements	-	-	-	
Total Expenses	4,475,623	5,284,314	(808,692)	
Net Income	(66,751)	2,687	69,437	



QUESTIONS?

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