



Approved SY23-24 Budget

**June 22,
2023**

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Leveraging strong financial position: Federal Covid Relief Funding (“ESSER”), along with SSKC, Kauffman and Hall grants, set AFIA up to continue its strategy of investing in additional human resources to support our students and teachers (team-teaching model).

ESSER Funding ends: SY24 will be the final year of funding (\$611,000).

Addressing “Post ESSER” future: AFIA’s financial strength should carry forward through SY25. During these next 18 months AFIA school leadership and Board must develop strategies needed to support the school’s vision and mission as ESSER funding winds down.

- Fundraising: reengaging prior funders; identify new funding opportunities
- Identify most efficient ways to deploy teaching teams and other human resources to support our students
- Other cost savings.

	In \$000's			
	SY22-23 Forecast	SY23-24 Prelim Budget	Variance	Comments
Revenue	\$5,088	\$5,347	\$259	\$175k Increase in Grants and Donations. \$110 Increase in expected State Revenue
Expenses	\$4,771	\$5,283	\$512	\$330 Salaries and benefits \$125 Student Direct expenses
Net Income	\$317	\$64	(\$253)	
June 30 Cash Balance	\$1,446	\$1,510	\$64	
Days Cash	111	104	4	
Holding/Foundation (Note 1)	\$472	\$709	\$237	

Note 1: This cash is available to pay for remaining renovations and capital expenditures as the building ages.

	(\$000's)			
	SY22-23 Forecast	SY23-24 Budget	Budget More than (Less than) Last Year	Explanation for differences between SY24 budget and SY23 Forecast
Students	263	270	7	Started SY23 with 278 students
Staff	47	51	4	Interventionist, Dean of Culture, Social Worker, Front Office
Revenue				
Local	\$ 349	\$ 381	\$ 32	
State	3,017	3,127	110	Expected increase state funding per WADA.
Federal	578	545	(33)	
ESSER	611	611	(0)	
Grants/Donations	499	675	176	Needed increase to balance budget.
Earned fees	34	8	(26)	
Total Revenue	5,088	5,347	259	
Expenses				
Salaries	2,450	2,675	225	Increase in staff as well and overall salary increases to remaining competitive in retaining and attracting high-quality staff.
Benefits/Taxes	711	818	107	
Staff-Related Costs	82	111	29	
Rent	200	150	(50)	Lease agreement was amended from \$25/month to \$12.5/month in November 2022.
Occupancy	389	432	43	
Student Direct	295	419	124	\$44 Replacement of student and teacher technology equipment (typical 3 year cycle).
Student Indirect	188	193	5	
Office & Business	215	217	2	
Transportation	241	268	27	
Total Expenses	4,771	5,283	512	
Net Income	317	64	(253)	
Cash flow adjustment				
July 1 Cash Balance	1,129	1,446	1,510	
June 30 Cash Balance	\$ 1,446	\$ 1,510	\$ 1,256	
Days Cash	111	104	(6)	
Holding/Foundation (Note 1)	\$ 472	\$ 709	\$ 237	
Note 1: This cash is available to pay for remaining renovations and capital expenditures as the building ages.				

Donor	<u>SY23 Forecast</u>	<u>SY24 Budget</u>
SSKC Team Teaching	\$84	\$168
SSKC Data/Talent	30	
Kauffman		125
Kauffman DEI	150	143
Hall	125	125
MO Arts Council	26	
Deffenbaugh	25	25
Gottlieb	25	25
Others individually under \$25k	<u>34</u>	<u>64</u>
Total	<u>\$499</u>	<u>\$675</u>

Human Resources	FY23	Not returning	New hires filling positions	FY23 Apprentices filling open positions	New/ Additional Position	Deleted positions	Position yet to be filled as of today	FY24 Proposed	Running Total	Student to Adult Ratio (n=270)
Teacher - Classroom	17	(6)	4	2	1			18	18	15
Teacher - Assistant	6	(1)					1	6	24	11
Teacher - Specialists*	4	(1)			1		1	5	29	9
Teacher - SPED	2							2	31	9
Teacher - Apprentice	5							5	36	8
Interventionist	1				1			2	38	7
Student Success Coach	3					(1)		2	40	7
Instructional Coach	2					(1)		1	41	7
Dean of Culture					1			1	42	6
Counselor/Social Worker	1				1			2	44	6
Nurse	1							1	45	6
Front office	1				1			2	47	6
Admin/Leadership Team	4							4	51	5
Total	47	(8)	4	2	6	(2)	2	51		
*previously referred to as Enrichment.										

Academy for Integrated Arts Financial Data (\$000's)					Donation detail				
	SY22-23 Forecast	SY23-24 Budget	SY24-25 Prelim Long Range	SY25-26 Prelim Long Range		SY22-23 Forecast	SY23-24 Budget	SY24-25 Prelim Long Range	SY25-26 Prelim Long Range
Students	263	270	270	270	SSKC Team Teaching	\$ 84	\$ 168	\$ 168	\$ 80
Staff	47	51	51	51	SSKC Data/Talent	30			
Revenue					Kauffman		125		
Local	\$ 349	\$ 381	\$ 380	\$ 380	Kauffman DEI	150	143		
State	3,017	3,127	3,130	3,130	Hall	125	125	250	
Federal	578	545	545	545	MO Arts Council	26			
ESSER	611	611	-	-	Deffenbaugh	25	25	25	25
Grants/Donations	499	675	675	675	Gottlieb	25	25	25	25
Earned fees	34	8	-	-	Left to raise	34	64	207	545
Total Revenue	5,088	5,347	4,730	4,730	Total	\$ 499	\$ 675	\$ 675	\$ 675
Expenses					<p>AFIA's financial strength should carry forward through SY25. During the next 18 months, AFIA school leadership and Board will develop strategies needed to support the school's mission as ESSER funding winds down.</p> <p>Fund raising: Reengaging prior funders; identifying new funding sources.</p> <p>Identify most efficient ways to deploy teaching teams and other human resources to support our students.</p> <p>Identify other cost savings.</p>				
Salaries	2,450	2,675	2,755	2,838					
Benefits/Taxes (30%)	711	818	827	851					
Staff-Related Costs	82	111	111	111					
Rent	200	150	150	150					
Occupancy	389	432	445	458					
Student Direct	295	419	432	445					
Student Indirect	188	193	199	205					
Office & Business	215	217	224	230					
Transportation	241	268	276	284					
Total Expenses	4,771	5,283	5,418	5,572					
Net Income (Loss)	317	64	(688)	(842)					
Cash flow adjustment									
July 1 Cash Balance	1,129	1,446	1,510	822					
June 30 Cash Balance	\$ 1,446	\$ 1,510	\$ 822	\$ (20)					
Days Cash	111	104	55	(1)					
Holding/Foundation (Note 1)	\$ 472	\$ 709	\$ 887	\$ 1,025					

Note 1: This cash is available to pay for remaining renovations and capital expenditures as the building ages.

Note 2: Assumes all non-salary related line items except rent increased at 3% for SY25 and SY26

Other helpful info: Supporting Organizations Page 9

	Supporting Foundation	Holding Company
Established	2015	2016
Tax-Exempt	501(c)(3)	501(c)(3)
Fiscal year	July 1- June 30	July 1- June 30
Board of Directors	Five. Majority appointed by School Board	Three. Majority appointed by School Board

The Academy for Integrated Arts Supporting Foundation

Established to raise funds to purchase and renovate AFIA's school building. The project qualified for the New Market Tax Credit program (NMTC). NMTC is a Federal program that provides incentive for private investment in low-income communities.

AFIA Holding Company

Established, as required by the NMTC transaction agreement, to own and operate the building and to lease it to the School. Lease terms were prescribed by the NMTC agreement.

Any additional funds raised by either organization are used to benefit the School.

Building Acquisition and Renovation

Since 2015 \$7.8 million has been invested in the School building and surrounding grounds. The majority of funding (80%) came from individual donors and private foundations.

Other Highlights:

- Spring/Summer 2016 - Phase 1 construction completed in time for first day of school.
- September 2016 - NMTC transaction completed. Building ownership transfers from Supporting Foundation to Holding Company per requirements of NMTC
- Summer 2017 - Phase 2 construction completed
- Summers of 2020 and 2022 - smaller renovations to accommodate enrollment growth and other needs. Only a small portion of the building remains unfinished at this time.

AFIA Holding and Academy for Integrated Arts Supporting Foundation Combined Cash Sources and Uses			
	Inception (2015) thru SY23	Forecast SY24	Forecast SY25
	(\$000's)		
Beginning Cash	\$ -	\$ 471	\$ 709
Sources			
Donations			
Individuals/private foundations	6,176	100	40
New Market Tax Credit program (Note 1)	775		
Rent (Note 1)	1,840	150	150
Other	18	-	-
Uses			
Building acquisition and renovation	(7,770)		
Interest Expense (Note 2)	(291)		
Donation to School	(145)		
Building maint/mgmt	(89)	(7)	(7)
Professional fees	(43)	(5)	(5)
Ending Cash (Note 3)	\$ 471	\$ 709	\$ 887
<p>NOTE 1: The New Markets Tax Credit Program (NMTC) is a Federal program that attracts private investment in projects that benefit economically distressed, neglected, and underserved low-income communities. The NMTC program set rent at \$300k/year until program was completed (October 2022). At that time rent was reduced to \$150k/year.</p> <p>NOTE 2: A total of \$2.7 million in debt was used to finance the renovations. All debt was paid in full by June 2021.</p> <p>NOTE 3: This cash is available for any remaining renovations and capital expenditures as the building ages.</p>			

	SY22-23 Forecast	SY23-24	Description of what line item includes
Revenue	(\$000's)		
Local	\$ 349	\$ 381	Derived mainly from community's property tax.
State	3,017	3,127	Source is general state revenues (income, sales etc. taxes). Schools are funded on an adjusted per student basis. Multipliers are used to give districts more money to reflect the additional cost of educating certain categories of students (eg. Individualized Education Plans (IEPs) Free or Reduced Lunch (FRL))
Federal	578	545	Funding primarily for food service and Title 1 (schools serving low income families).
ESSER	611	611	Federal Covid emergency relief funding. Ending SY24
Grants/Donations	499	675	
Earned fees	34	8	After school care
Total Revenue	5,088	5,347	
Expenses			
Salaries	2,450	2,675	Benefits include: Contribution to retirement plan - 14.5% of salary.
Benefits/Taxes	711	818	Employers portion of Soc. Security and medicare - 7.97% of salary; Medical insurance - \$575/month; Basic Life and Accidental Death; Long-Term Disability;
Staff-Related Costs	82	111	Professional development
Rent	200	150	Paid to AFIA Holding Company - a 501(c)(3) that supports AFIA.
Occupancy	389	432	Janitorial; Utilities; Repairs, maintenance; Property and Casualty Insurance.
Student Direct	295	419	Contracted educational professional services (eg. SPED; OT; Speech); Educational supplies; computers; text and library books etc.
Student Indirect	188	193	Food service
Office & Business	215	217	Accounting, IT, audit, tax return, admin supplies.
Transportation	241	268	
Total Expenses	4,771	5,283	
Net Income	317	64	
July 1 Cash Balance	1,129	1,446	
June 30 Cash Balance	\$ 1,446	\$ 1,510	
Days Cash	111	104	Cash divided by Total Expenses divided by 365 days

Questions or Comments?

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