

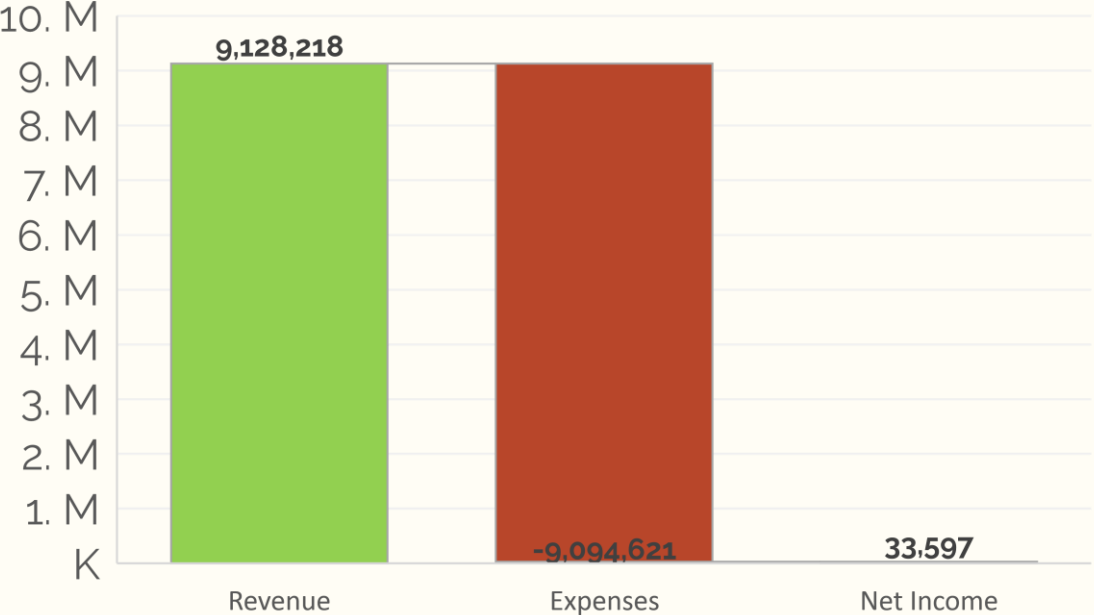


**SY18-19
Budget**

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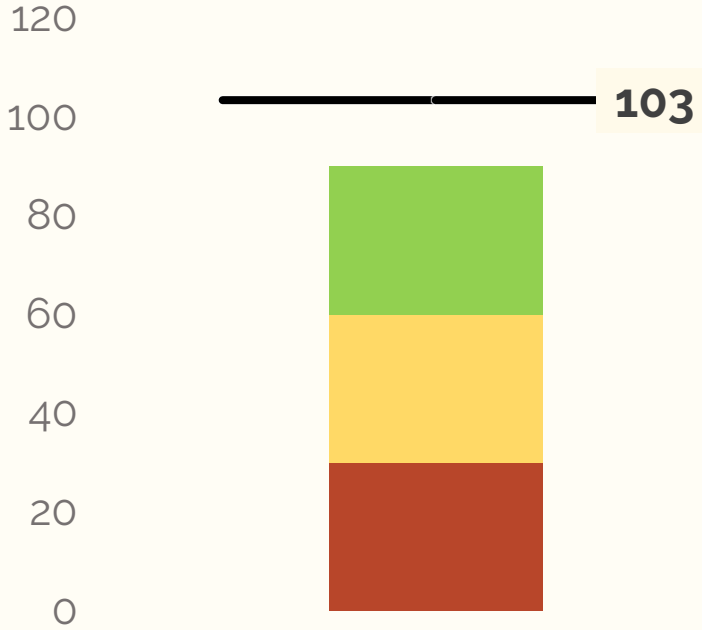
Budget Summary | Net Income



| | |
|-------------------|---------------|
| Revenue | 9,128,218 |
| Expenses | 9,094,621 |
| Net Income | 33,597 |

Key Performance Indicators

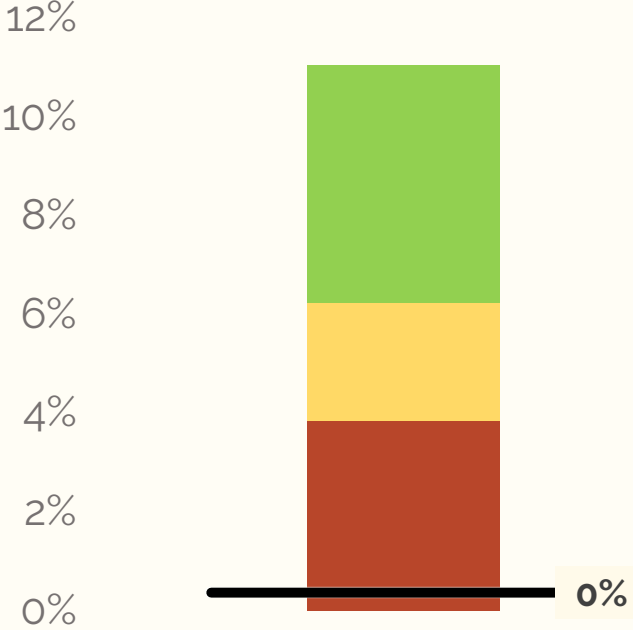
Days of Cash



103 DAYS OF CASH AT YEAR'S END

The school's 103 days of cash is above what considered best practice of 60 days of cash. However, of that amount only 44 days are liquid.

Gross Margin



0% GROSS MARGIN

The forecasted net income is 33K with 9M in revenue. It yields a 0% gross margin

Key Performance Indicators | Calculation

Calculating Days of Cash

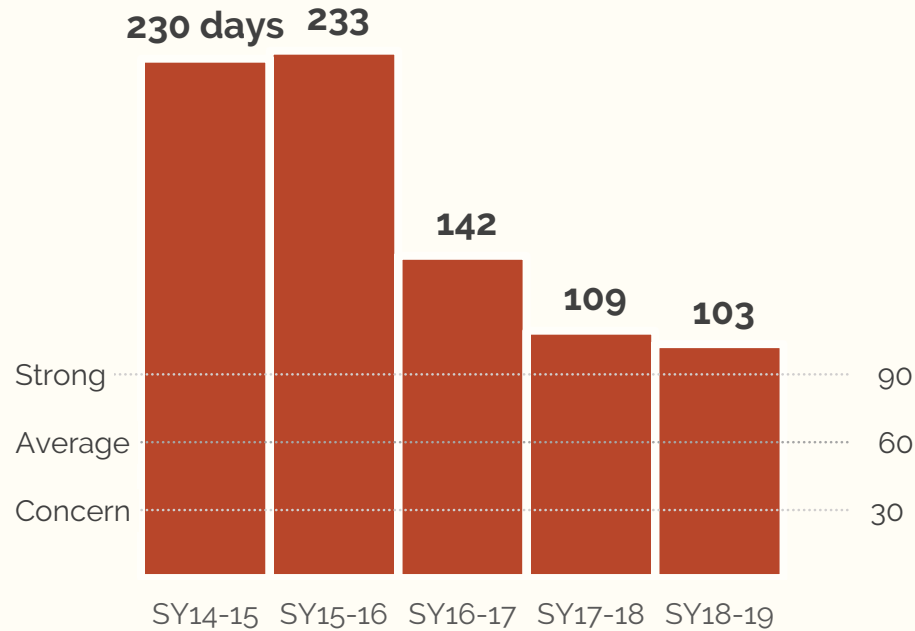
| | |
|-----------------------|---------------|
| Total Expenses | 9,094,621 |
| Day of Year | 360 |
| Daily Expenses | 25,263 |
| Ending Cash Balance | 2,610,961 |
| Days of Cash* | 103 |

Calculating Gross Margin

| | |
|----------------------|---------------|
| Revenue | 9,128,218 |
| Expenses | 9,094,621 |
| Net Income | 33,597 |
| Revenue | 9,128,218 |
| Gross Margin* | 0% |

Key Performance Indicators | In Context

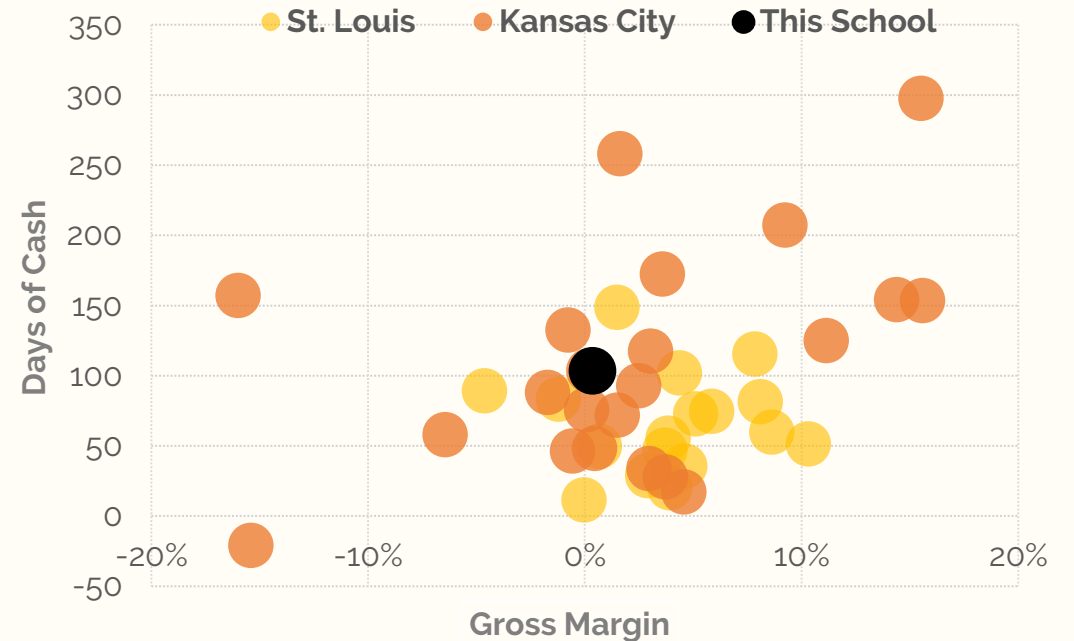
Historical Context: Days of Cash



103 DAYS OF CASH AT YEAR'S END

The budget expects that Brookside will end the year with 103 days of cash, which is 6 days worse than the cash forecast for 6/30/18.

Industry Context: Days of Cash vs Gross Margin

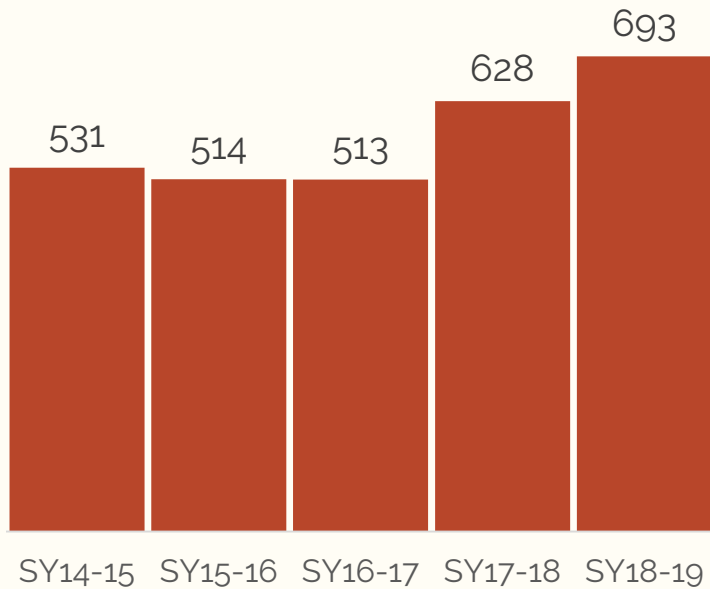


DAYS OF CASH INFLATED BY NEW MARKET TAX CREDIT ACCOUNTS - IMPORTANT TO IMPROVE GROSS MARGIN OVER NEXT FEW YEARS

Because the school has run at a negative Gross Margin the past two years, Days of liquid Cash on Hand has decreased. The FY 19 budget has been built to get back to a balanced budget, but it will be important in future years to build budget with a 3% Gross Margin to build back days of liquid cash on hand to over 60 days.

Enrollment Assumptions

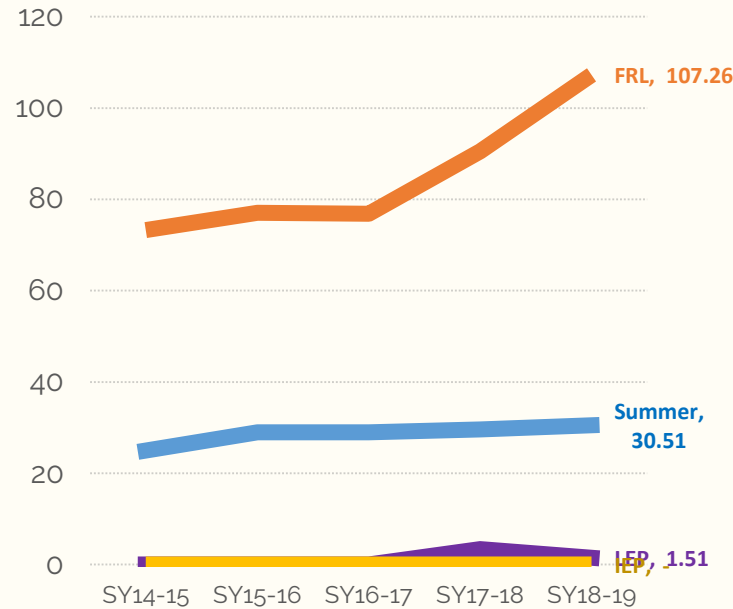
Enrollment



INCREASING ENROLLMENT

Whether distributed through the state of Missouri, or the federal government, all gov't revenue, and 94% of Brookside budget is driven by student enrollment and demographics. The remaining sources include aftercare and SSC revenue, as well as donations.

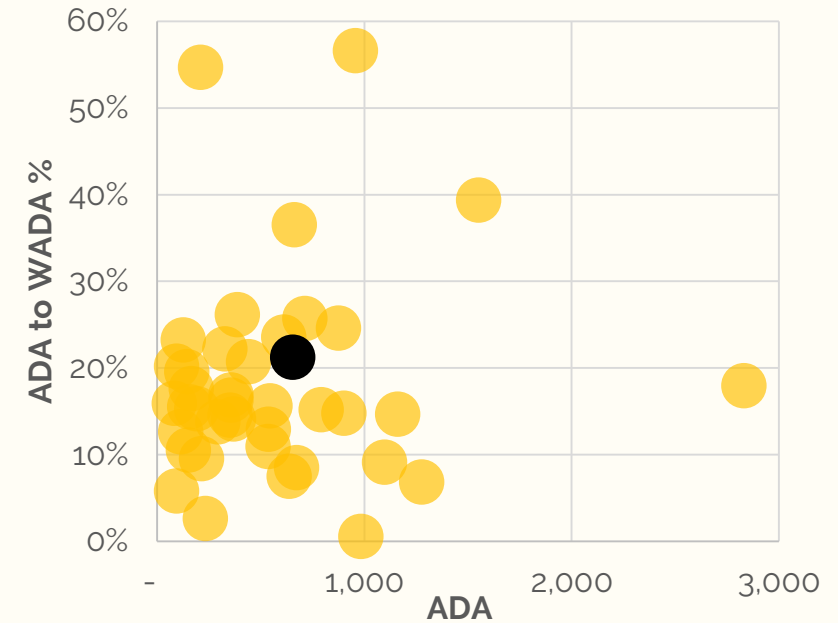
Special Populations WADA



WADA

Brookside will benefit in FY 19 from a change to how FRL weight is calculated. Other weights remain constant.

ADA TO WADA Ratio

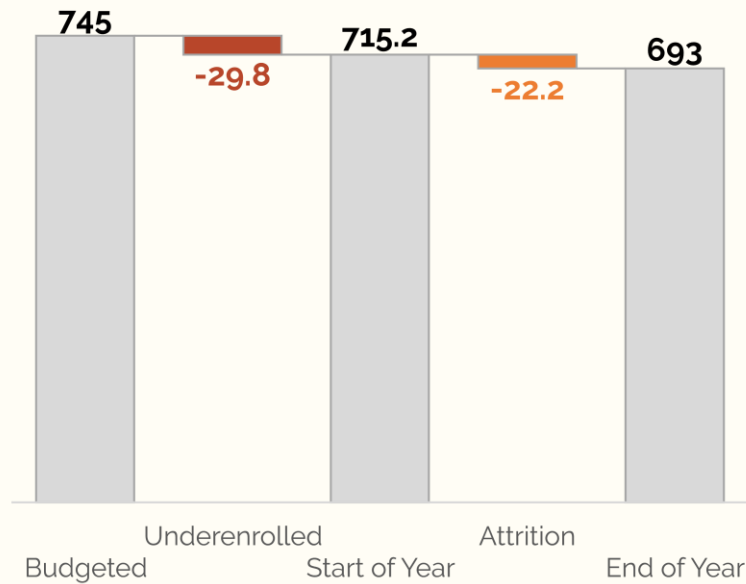


IMPORTANCE OF SUMMER ADA TO WADA

Brookside's WADA is enhanced by summer ADA, which means that regular ADA makes up only 79% of its WADA.

Enrollment Assumptions: Underenrollment & Attrition

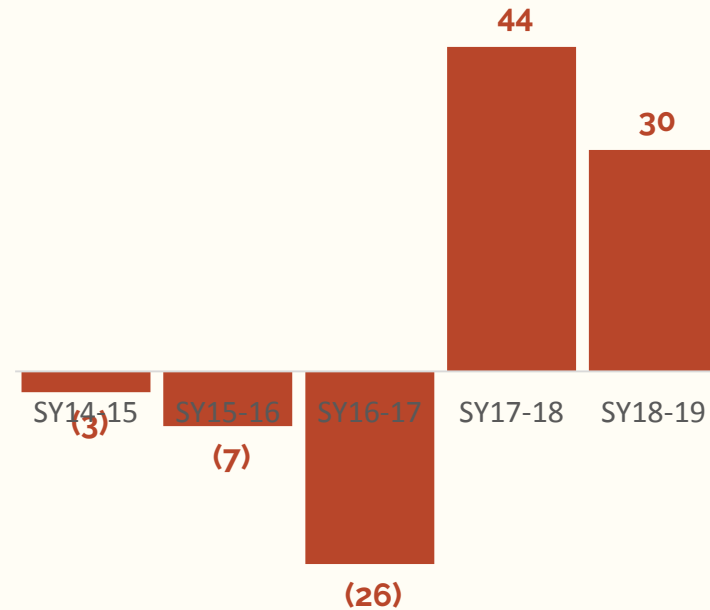
SY18-19 Student Adjustments



Underenrollment and Attrition Can be Significant

FY 19 Budget incorporates conservative approach to underenrollment and attrition.

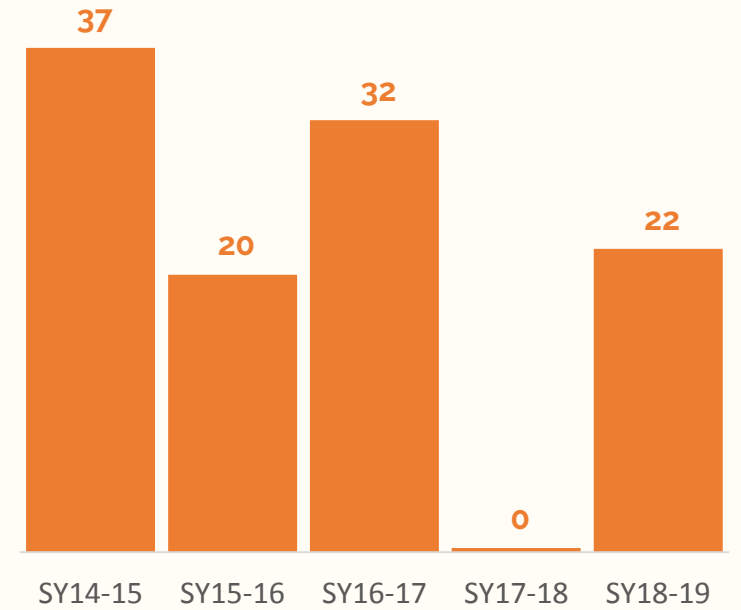
Historic Underenrollment



Impact of Historic Underenrollment

Enrollment target is aggressive, so incorporating room to start year with less students than target.

Historic Attrition

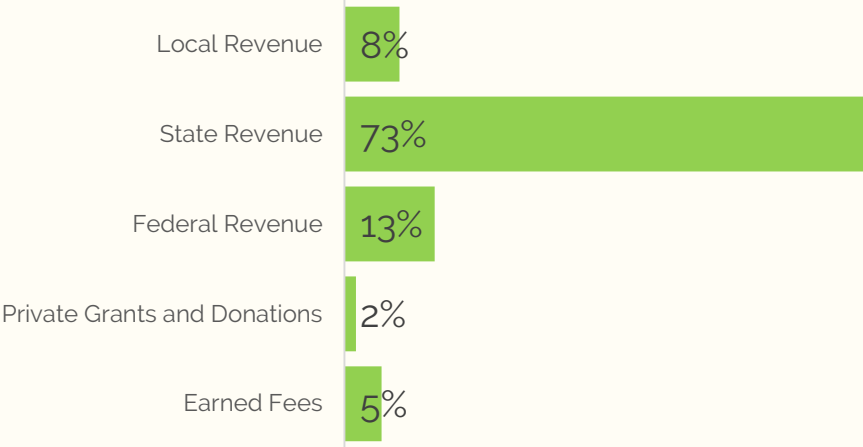


Average of 22 Students Lost To Attrition

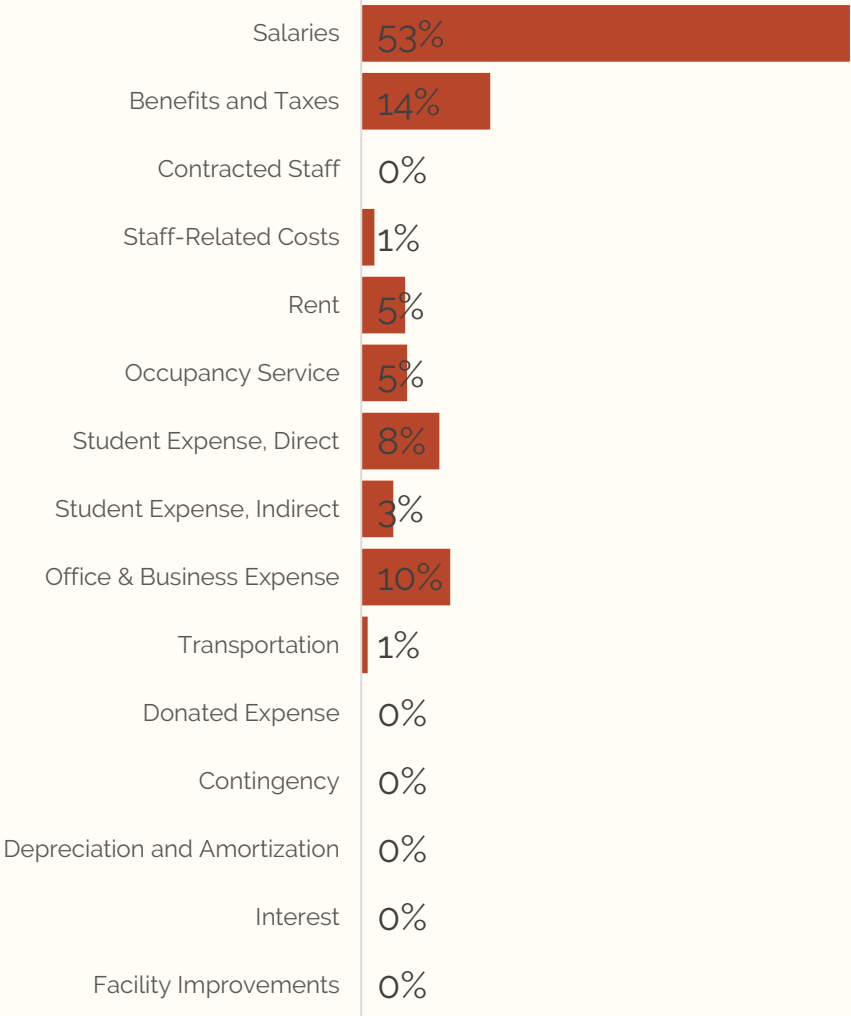
FY 18 was a phenomenon in that school ended year with more students than at start of year.

Revenue And Expenses






Categories of Revenue






Categories of Expense



Revenue | Detail & Benchmarking

| Revenue | | SY18-19 | \$ Over Median |
|------------------------------|---|-----------|----------------|
| Local Revenue |  | 706,859 | \$38k |
| State Revenue |  | 6,639,895 | \$69k |
| Federal Revenue |  | 1,155,706 | \$58k |
| Private Grants and Donations |  | 150,000 | -\$1m |
| Earned Fees |  | 475,758 | \$378k |

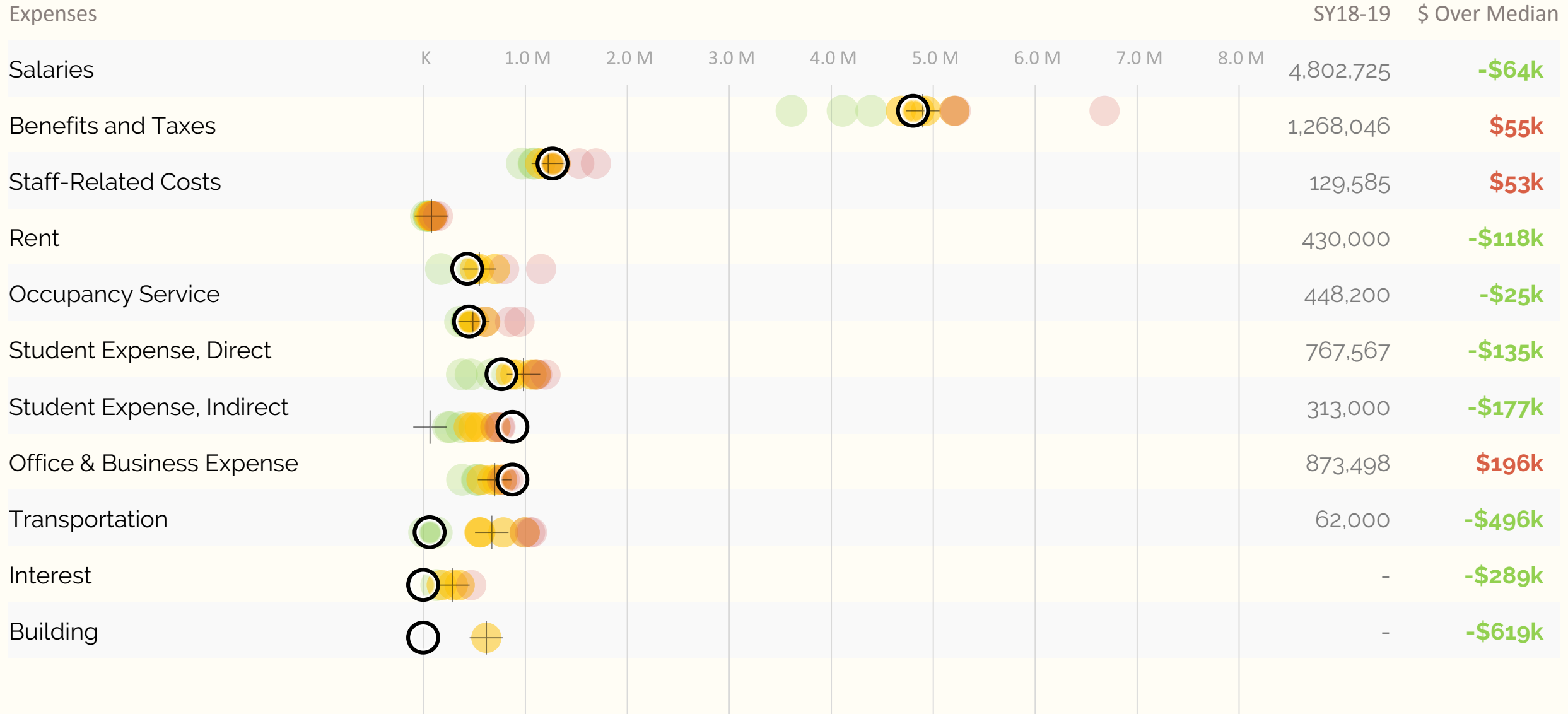
Legend

| | |
|---|---------------------------------------|
|  | This School |
|  | Industry, if they had your population |
|  | Industry Median |

Revenue | Key Assumptions

- Per WADA payment at \$8,485, down from FY 18 level of \$8,600
- End of Year enrollment target set at 693, with ADA projected at 655
- 193K of aftercare revenue included in budget, based on new pricing structure
- 283K of revenue from Student Success Center included based on full year of tuition collection, and SSC ability to pay Brookside rent, etc. Ultimately, SSC needs 8 non Brookside students for this target to be realized
- Donations set at 150K, which includes 80K from UMKC, 40K from golf tournament, and 30K from new sources

Expenses | Detail & Benchmarking



Expenses | Key Assumptions

- Staff costs thoroughly evaluated with tough decisions made to move towards a sustainable cost structure
- FY 19 Sinking Fund Payment at 360K
- Technology Infrastructure Upgrade
- Retirement Contribution increasing to 10.5% on January 1, 2019

Appendix | Profit and Loss Changes

| Income Statement | SY17-18 | SY18-19 | Difference | Changes |
|-------------------------------|------------------|------------------|------------------|---|
| Revenue | | | | |
| Local Revenue | 617,319 | 706,859 | 89,540 | Prop C increases based on FY 18 enrollment increase |
| State Revenue | 5,972,336 | 6,639,895 | 667,559 | State revenue increases with enrollment |
| Federal Revenue | 1,043,133 | 1,155,706 | 112,573 | Federal revenue increases with enrollment |
| Private Grants and Donations | 35,000 | 150,000 | 115,000 | |
| Earned Fees | 208,732 | 475,758 | 267,026 | This area is greatest exposure for school in FY 19 |
| Donated Revenue | - | - | - | |
| Total Revenue | 7,876,520 | 9,128,218 | 1,251,698 | |
| Operating Expense | | | | |
| Salaries | 4,767,072 | 4,802,725 | 35,653 | Scope eliminated |
| Benefits and Taxes | 1,133,538 | 1,268,046 | 134,508 | Budgeting conservatively for all new staff to take health benefit |
| Contracted Staff | - | - | - | |
| Staff-Related Costs | 100,000 | 129,585 | 29,585 | |
| Rent | 415,000 | 430,000 | 15,000 | |
| Occupancy Service | 530,700 | 448,200 | (82,500) | Copier expense moved to direct student expense |
| Student Expense, Direct | 300,257 | 767,567 | 467,310 | Investment being made in instructional program with curriculum and technology |
| Student Expense, Indirect | 265,000 | 313,000 | 48,000 | Food Service cost increase |
| Office & Business Expense | 955,167 | 873,498 | (81,669) | |
| Transportation | 22,500 | 62,000 | 39,500 | Increase in Athletics and Field Trip transportation lines |
| Donated Expense | - | - | - | |
| Contingency | - | - | - | |
| Depreciation and Amortization | - | - | - | |
| Interest | - | - | - | |
| Facility Improvements | - | - | - | |
| Total Expenses | 8,489,234 | 9,094,621 | 605,386 | |
| Net Income | (612,714) | 33,597 | 646,312 | |

Appendix | Monthly Cash

