



# SY22-23 Budget

PREPARED JUNE 10, 2022 BY

**EdOps**

# Executive Summary

## THE PROCESS

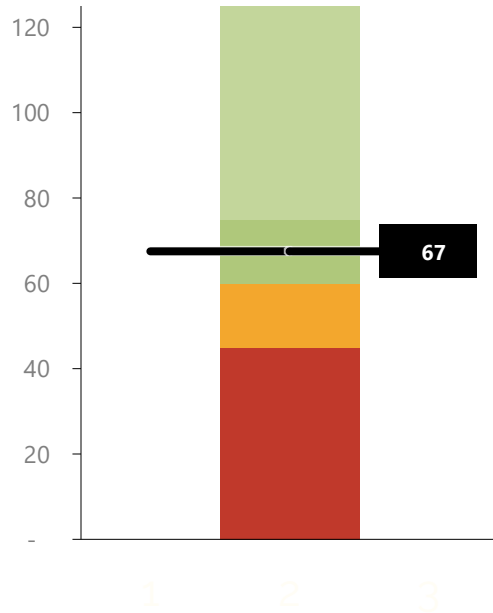
- As in prior years, the school is required to provide a board approved 1-year budget for the fiscal year (FY) covering 07/01/2022-06/30/2023.
- There are several factors to consider over the next 3 years with Charter School financials. In addition to the 1-year budget, we have provided a detailed 3-year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

## BUDGET OVERVIEW & STRATEGIC PRIORITIES

- The FY23 budget maintains the recommended cash balance of over 60 days, while growing the school's budget from \$3.5M to \$4M. These results are driven primarily by the increase in students (41 additional from budget), increased ESSER funding and 8 additional staff.
- The budget reflects the below strategic priorities for the school:
  - Continued investment in human capital that will accelerate learning and create better student outcomes.
  - Strengthen the structures and operational functionality to support students.
  - Focus on instructional quality to drive improved student performance and attendance.

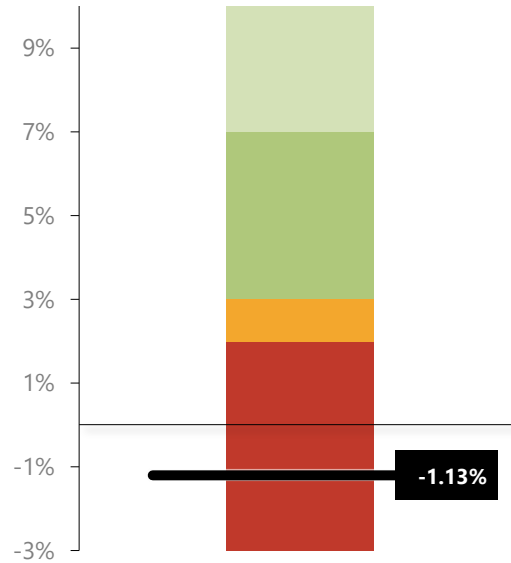
# KPIs

## DAYS OF CASH



<b>Starting Cash</b>	<b>784,439</b>
Net Income	-44,625
<b>Ending Cash</b>	<b>739,814</b>

## GROSS MARGIN



Revenue	3,957,178
Expenses	4,001,804
Net Income	-44,625

**Gross Margin -1.13%**

Gross Margin = Net Income / Revenue

## COMMENTS

The forecasted net income is -\$44,625 on \$3,957,178 in revenue. This yields -1.13% in gross margin.

We are predicting 67 days of cash at 6/30/23. This is based upon ending the year with 739,814 in cash.

The main driver for Net Income is the school's investment in teaching staff.

# SY23 Budget

## REVENUE

Local Revenue	203,200
State Revenue	1,598,446
Federal Revenue	386,494
Federal revenue ESSER	756,058
Private Grants and Donations	900,000
Earned Fees	112,981
<b>Total Revenue</b>	<b>3,957,178</b>

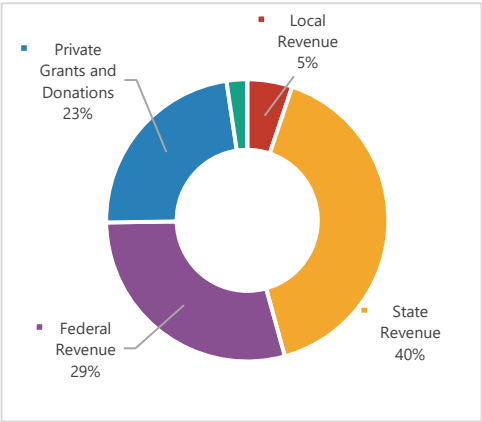
## EXPENSES

Salaries	1,857,617
Benefits and Taxes	560,097
Staff-Related Costs	22,950
Occupancy Service	501,157
Student Expense, Direct	414,030
Student Expense, Indirect	35,500
Office & Business Expense	426,452
Transportation	184,000
<b>Total Expenses</b>	<b>4,001,804</b>
Net Income	(44,625)

## REVENUE

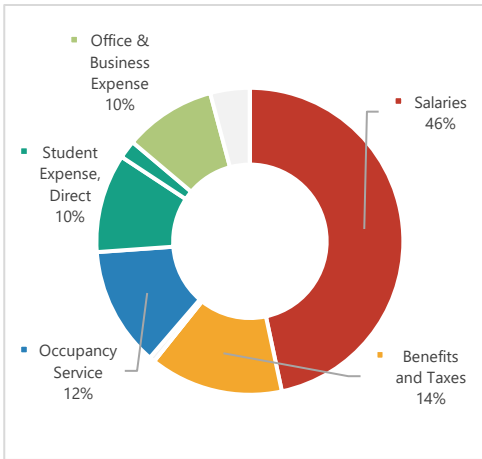
We have budgeted **\$3,957,178** in revenue based upon 202 end of year students, and a WADA payment of \$8,383 per student. The largest components of revenue are \$1.6M (40.4%) in State Revenue and \$1.1M (28.9%) in Federal Revenue.

ESSER III allocation draw down will begin in FY23 and continue through FY24. Total award is \$1.3M



## EXPENSES

We have budgeted **\$4,001,804** in expenses based on 31 staff, an increase of 8 staff compared to FY22 budget. The largest components of expense are \$1,857,617 (46.4%) in Salaries and \$560,097 (14.0%) in Benefits and Taxes.



# SY22 and SY23 Comparison

Income Statement	FY22 (Forecast)	FY23	Difference
Staff (Budget)	23	31	8
Enrollment (Budget)	161	202	41
Revenue			
Local Revenue	195,900	203,200	7,300
State Revenue	1,403,300	1,598,446	195,145
Federal Revenue	463,333	386,494	(76,839)
Federal Revenue ESSER	394,961	756,058	361,097
Private Grants and Donations	1,000,000	900,000	(100,000)
Earned Fees	90,000	112,981	22,981
<b>Total Revenue</b>	<b>3,547,495</b>	<b>3,957,178</b>	<b>409,684</b>
Operating Expense			
Salaries	1,496,257	1,857,617	(361,360)
Benefits and Taxes	439,348	560,097	(120,750)
Staff-Related Costs	24,950	22,950	2,000
Occupancy Service	434,329	501,157	(66,828)
Student Expense, Direct	416,663	414,030	2,633
Student Expense, Indirect	32,112	35,500	(3,388)
Office & Business Expense	463,592	426,452	37,140
Transportation	179,498	184,000	(4,502)
<b>Total Expenses</b>	<b>3,486,749</b>	<b>4,001,804</b>	<b>(515,054)</b>
<b>Net Income</b>	<b>60,745</b>	<b>(44,625)</b>	<b>(105,371)</b>

## REVENUE

We have budgeted \$3.9M in revenue based on 202 students.

- Federal Revenue increases by \$284k as ESSER III funds are utilized. Federal title allocations, SPED and Food Revenue increase slightly, Charter School improvement funding ends.
- State Revenue is based on 193 WADA; 165 ADA calculated on 202 YE students with 78% attendance at \$8,383 state reimbursement rate.
- Local Revenue is Prop C funding, based on \$1,259 reimbursement rate.
- School continues trend of strong fundraising projection.
- Earned Fees are KCPS MOU gap funding.

## EXPENSE

We have budgeted 4M in expenses based on 31 staff, an increase of 8 positions from the FY22 budget.

- The school is investing in academic staff and teacher retention, a significant priority for this school year.
- Included \$80k in building repairs and maintenance.
- Office & Business expenses less than FY22 with no KCPS MOU reimbursement and fewer Exec Admin contracts.
- Transportation includes an additional bus.

# 3-Year Proforma Scenario 1- ESSER Windup

Income Statement		SY21-22	SY22-23	SY23-24	SY24-25
Students		161	202	239	276
Employees					
	Instructional	13	16	16	15
	Support	4	5	5	5
	Admin	6	10	10	9
<b>Total Employees</b>		<b>23</b>	<b>31</b>	<b>31</b>	<b>29</b>
Revenue					
	Local Revenue	195,900	203,200	243,151	288,163
	State Revenue	1,403,300	1,598,446	1,913,370	2,335,935
	Federal Revenue	463,333	386,494	447,687	532,504
	Federal ESSER	394,961	756,058	500,000	
	Private Grants and Donations	1,000,000	900,000	900,000	900,000
	Earned Fees	90,000	112,981	119,019	143,874
<b>Total Revenue</b>		<b>3,547,495</b>	<b>3,957,178</b>	<b>4,123,227</b>	<b>4,200,476</b>
Operating Expense					
	Salaries	1,496,257	1,857,617	1,886,722	1,802,544
	Benefits and Taxes	439,348	560,097	590,229	573,480
	Staff-Related Costs	24,950	22,950	25,536	28,439
	Occupancy Service	434,329	500,557	516,192	531,678
	Student Expense, Direct	416,663	413,530	445,762	504,096
	Student Expense, Indirect	32,112	75,700	41,945	48,438
	Office & Business Expense	463,592	384,752	439,311	488,178
	Transportation	179,498	166,000	215,050	205,836
<b>Total Operating Expense</b>		<b>3,486,749</b>	<b>3,981,204</b>	<b>4,160,747</b>	<b>4,182,687</b>
<b>Net Income</b>		<b>60,745</b>	<b>(47,630)</b>	<b>(37,520)</b>	<b>17,789</b>
<b>Analysis</b>		<b>SY21-22</b>	<b>SY22-23</b>	<b>SY23-24</b>	<b>SY24-25</b>
	Beginning Cash Balance	723,694	784,439	739,814	702,294
		60,745	(44,625)	(37,520)	17,789
	<b>Ending Cash Balance</b>	<b>784,439</b>	<b>739,814</b>	<b>702,294</b>	<b>720,082</b>
	<b>Days of Cash</b>	<b>82</b>	<b>67</b>	<b>62</b>	<b>63</b>
	<b>Gross Margin</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>0%</b>
	<b>FUND Balance</b>		20%	18%	18%

- The 3 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.
- FY24 and FY25 salaries increase by 3%, benefits 6% increase.
- 2 positions wages are reduced; 2 positions eliminated in FY25.
- FY24 includes an additional bus purchase.

## 3-Year Proforma Scenario 2- Funding Equity

Income Statement		SY21-22	SY22-23	SY23-24	SY24-25
Students		161	202	239	276
Employees					
	Instructional	13	16	16	15
	Support	4	5	5	5
	Admin	6	10	10	9
<b>Total Employees</b>		<b>23</b>	<b>31</b>	<b>31</b>	<b>29</b>
Revenue					
	Local Revenue	195,900	203,200	243,151	288,163
	State Revenue	1,403,300	1,598,446	2,361,827	2,883,466
	Federal Revenue	463,333	386,494	447,687	532,504
	Federal ESSER	394,961	756,058	500,000	
	Private Grants and Donations	1,000,000	900,000	900,000	900,000
	Earned Fees	90,000	112,981		
<b>Total Revenue</b>		<b>3,547,495</b>	<b>3,957,178</b>	<b>4,452,665</b>	<b>4,604,133</b>
Operating Expense					
	Salaries	1,496,257	1,857,617	1,886,722	1,802,544
	Benefits and Taxes	439,348	560,097	590,229	573,480
	Staff-Related Costs	24,950	22,950	25,536	28,439
	Occupancy Service	434,329	500,557	516,192	531,678
	Student Expense, Direct	416,663	413,530	445,762	504,096
	Student Expense, Indirect	32,112	75,700	41,945	48,438
	Office & Business Expense	463,592	384,752	439,311	488,178
	Transportation	179,498	166,000	215,050	205,836
<b>Total Operating Expense</b>		<b>3,486,749</b>	<b>3,981,204</b>	<b>4,160,747</b>	<b>4,182,687</b>
<b>Net Income</b>		<b>60,745</b>	<b>(47,630)</b>	<b>291,918</b>	<b>421,446</b>
<b>Analysis</b>		<b>SY21-22</b>	<b>SY22-23</b>	<b>SY23-24</b>	<b>SY24-25</b>
	Beginning Cash Balance	723,694	784,439	739,814	1,031,732
		60,745	(44,625)	291,918	421,446
	<b>Ending Cash Balance</b>	<b>784,439</b>	<b>739,814</b>	<b>1,031,732</b>	<b>1,453,177</b>
	<b>Days of Cash</b>	<b>82</b>	<b>67</b>	<b>91</b>	<b>127</b>
	<b>Gross Margin</b>	<b>0%</b>	<b>-1%</b>	<b>7%</b>	<b>9%</b>
	<b>FUND Balance</b>	<b>24%</b>	<b>20%</b>	<b>26%</b>	<b>36%</b>

- The 3 Year Proforma outlines Net Income and Cash position as ESSER funds are fully spent by FY24 *and* the scenario *if* MO Funding Equity passes.
- The MO Governor has until July 14<sup>th</sup> to sign the legislation passed by the House and Senate.
- This funding would provide a higher per WADA reimbursement, and KCPS MOU would end.
- All other revenue and expense assumptions remain and would allow the school great flexibility to further impact student outcomes.



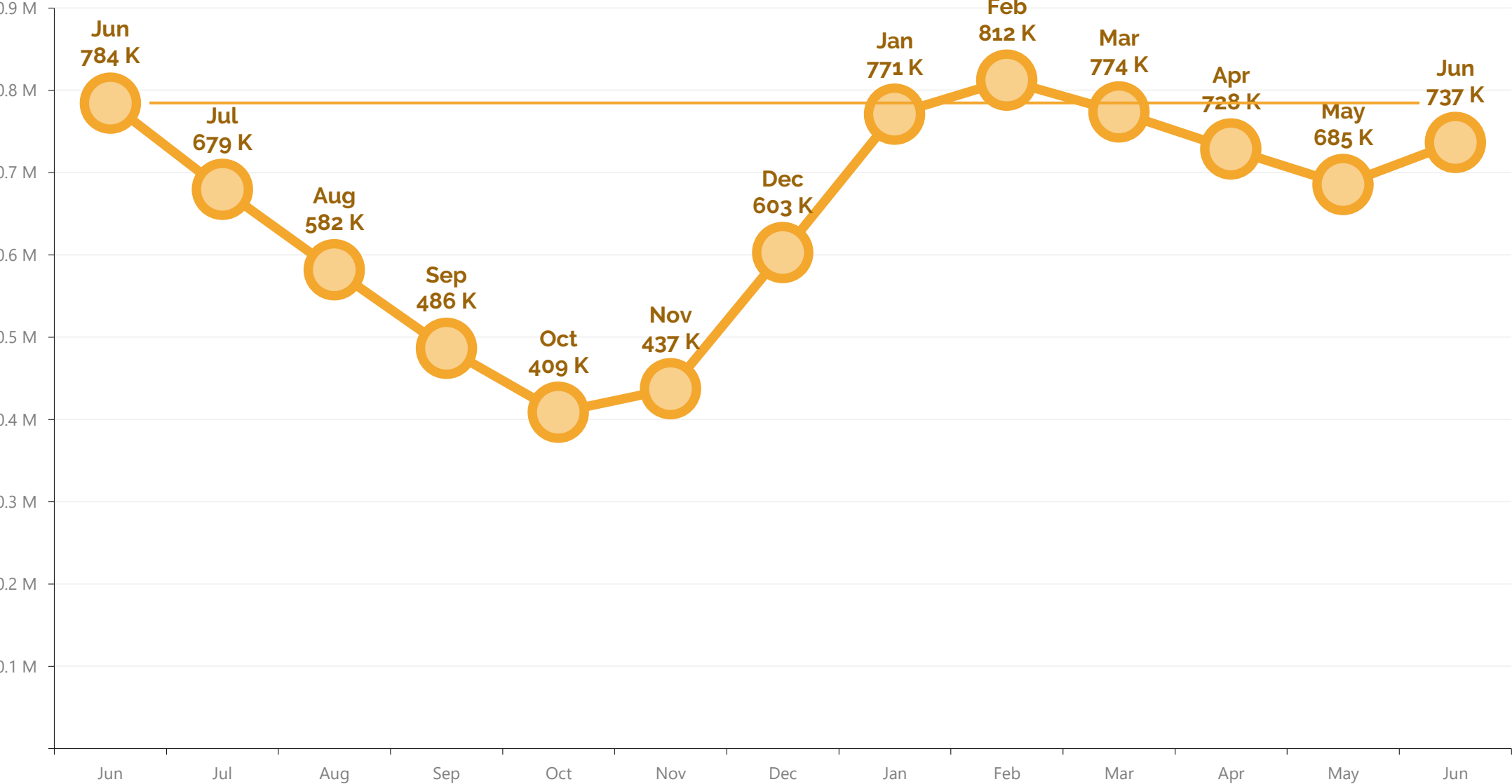
## QUESTIONS?

Please contact your  
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# Appendix: Monthly Cash



} \$48k  
Loss