



# Budgeting & Planning for FY23

June 27, 2022



**NORTHWEST**  
**CLASSICAL ACADEMY**



# Budgeting & Planning for FY23

Final: June 27, 2022

1. Ground-up budgeting by department continues.
2. GADOE requires two (2) public looks prior to approval
  1. 1<sup>st</sup> Draft: April 21, 2022
  2. 2<sup>nd</sup> Draft: May 18, 2021
  3. Final: June 27, 2021 (board meeting)
3. Budgeting regulated by Board Policies EL 2.c., 2.c.1- 8

## Board Policy on Budgeting & Planning | Executive Limitations 2.c.1-8

Final: June 27, 2022

- Other prudential restrictions:
  - ❖ Limit occupancy costs to 15% of public revenue
  - ❖ Target personnel expenditures <= 75%
  - ❖ Plan for contingency reserve equal to 2.5%

Policy Type	Heading	Policy #	Policy	Policy Approved/ Modified	MONITORING FREQUENCY
Executive Limitation	Financial Planning/ Budgeting	2.c	The chief executive officer shall not cause or allow financial planning/ budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends policies, risk fiscal jeopardy, or fail to be derived from, at minimum, a three-year plan.	8/27/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.1	The chief executive officer shall not: 1. Fail to submit the next fiscal year's budget for board approval prior to the June annual meeting, nor fail to present drafts of the budget publicly at least twice before its approval.	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.2	The chief executive officer shall not: 2. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Conditions and Activities."	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.3	The chief executive officer shall not: 3. Omit a credible projection of revenues and expenses by category, the sources and uses of all operating expenses and capital expenses, or planning assumptions.  Operating expenses include all operating costs, current chief executive officer and interest payments, and regular maintenance and repair costs.  Capital expenses include land acquisition, new construction, major system repairs, and any deferred maintenance that, if not corrected in the current budget cycle, places building occupants at risk of harm, or the facility at risk of not fulfilling its functions.	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.4	The chief executive officer shall not: 4. Plan in any fiscal year for operating expenses to exceed public revenue.	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.5	The chief executive officer shall not: 5. Fail to present year-over-year budget comparisons by category.	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.6	The chief executive officer shall not: 6. Fail to maintain a three-year facilities plan.	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.7	The chief executive officer shall not: 7. Fail to solicit a broad base of input in the formulation of budgets.	12/15/2016	annually
Executive Limitation	Financial Planning/ Budgeting	2.c.8	The chief executive officer shall not: 8. Provide less for board prerogatives during the year than is set forth in the "Cost of Governance Policy."	12/15/2016	annually



# Approach to Budgeting

Budgeting is an expression of our organizational character, culture, and values

- Mission: To form intelligent, virtuous citizens
- Vision: To support the growth and promotion of classical education

## Organizational Values

### We esteem

- The tenets of American classical, liberal-arts education;
- Excellence in teaching and learning;
- Community and partnership in the common pursuit of forming intelligent, virtuous citizens;
- The school virtues: courage, courtesy, honesty, perseverance, self-government, service.

# Approach to Budgeting

## Sequence

- Revenue projections
- Enrollment
- Personnel planning
- Excellence in teaching & learning
- Operating expenses
- Occupancy expenses
- Capital outlay
- Contingency reserve

## Funds

- Charter: Public revenue and bell-to-bell school operations
- General: private gifts, fees, extracurricular activities and support
- [Currently only 1 operating account for banking activity for Charter and General Funding]

# Revenue & Enrollment Projections



NCA Grade	Actual	Projected		
	FY22 21-22	FY23 22-23	FY24 23-24	FY25 24-25
K	72	72	72	72
1st	72	72	72	72
2nd	72	72	72	72
3rd	72	72	72	72
4th	72	72	72	72
5th	72	72	72	72
6th	72	72	72	72
7th		72	72	72
8th		60	60	60
9th			57	57
10th				57
11th				
12th				
<b>Total</b>	<b>504</b>	<b>636</b>	<b>693</b>	<b>750</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
FTE (enrollment)	504	636	693	750
QBE revenue	\$4,384,152	\$6,180,648	\$6,869,265	\$7,582,955
PPR	\$8,699	<b>\$9,718</b>	\$9,912	\$10,111
PPR Growth %		11.7%	2.0%	2.0%
Other public revenue	\$0	\$20,000	\$30,000	\$35,000
<b>Total public revenue</b>	<b>\$4,384,152</b>	<b>\$6,200,648</b>	<b>\$6,899,265</b>	<b>\$7,617,955</b>
<i>% change, total public revenue</i>		41.4%	11.3%	10.4%

# FY23 Personnel Planning



- Personnel planning is 95% complete
- Budget Personnel Costs equal 66% of QBE revenue
- TRS is to remain at 19.81% in FY23
- Personnel budget includes compensation, employer payroll taxes, and benefits

## FY23 Budget - First Look

- Public revenue includes QBE, nurse/transportation, and nutrition program reimbursements
- Contingency reserve is set at 2.5% of public revenue under capital outlay expense
- Budget incorporates fees contemplated in ESMA with Liberty Classical Schools



### FY 2023 Budget

#### Revenue over Expenditure

##### Revenue

Contributions Revenue	510,250
Grant Revenue	905,000
Program Revenue	39,800
Public Funding Revenue	6,245,648
Other Income	0
<b>Total Revenue</b>	<b><u>7,700,698</u></b>

##### Expenditures

Total Personnel Expense	4,094,082
Total Instruction Expense	499,899
Total Operating Expense	1,360,196
Total Occupancy Expense	1,365,283
Total Capital Outlay Expense	156,141
<b>Total Expenditures</b>	<b><u>7,475,602</u></b>

<b>Total Revenue over Expenditure</b>	<b><u><u>225,096</u></u></b>
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# FY23 Budget - Final Look



	<u>FY 2023 Budget</u>	<u>FY 2024 Budget</u>	<u>FY 2024 Budget</u>
<b>Revenue over Expenditure</b>			
<b>Revenue</b>			
Total Contributions Revenue	\$ 510,250	\$ 525,000	\$ 579,545
Total Grant Revenue	\$ 905,000	\$ 180,000	\$ 198,701
Total Program Revenue	\$ 39,800	\$ 0	\$ 0
Total Public Funding Revenue	\$ 6,245,648	\$ 6,904,265	\$ 7,621,592
Total Other Income	\$ 0	\$ 300,000	\$ 331,169
<b>Total Revenue</b>	<b>\$ 7,700,698</b>	<b>\$ 7,909,265</b>	<b>\$ 8,731,007</b>
<b>Expenditures</b>			
Total Personnel Expense	\$ 4,094,082	\$ 4,694,901	\$ 5,182,682
Total Instruction Expense	\$ 499,899	\$ 173,845	\$ 179,060
Total Occupancy Expense	\$ 1,365,283	\$ 1,303,249	\$ 1,342,347
Total Capital Outlay Expense	\$ 156,141	\$ 172,607	\$ 190,540
<b>Total Expenditures</b>	<b>\$ 7,475,602</b>	<b>\$ 7,429,507</b>	<b>\$ 8,012,082</b>
<b>Total Revenue over Expenditure</b>	<b>\$ 225,096</b>	<b>\$ 479,758</b>	<b>\$ 718,925</b>