

PHOENIX INTERNATIONAL  
SCHOOL *of the* ARTS

# FY25 Budget

PREPARED BY

**EdOps**

# Strategic Priorities

We considered the following key items in creating the budget as a guide for FY25:



- Academic growth with goals set on ELA and Math



- Investments into arts teacher to reach programmatic goals aligned with mission



- Legal fees for charter restructuring



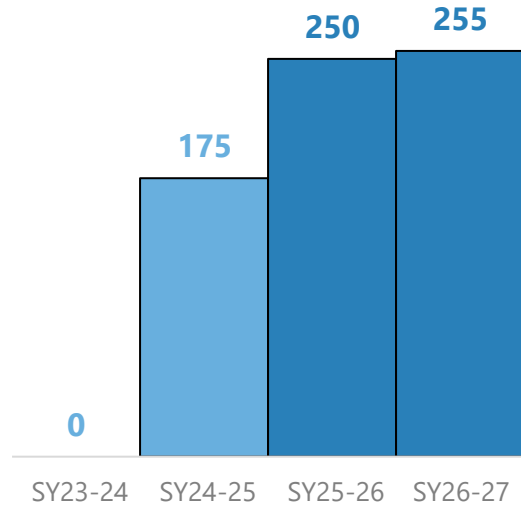
- Increase cash and longer-term financial planning (fundraising)



- Strategic Planning

# Key Assumptions and Historical Context

## ENROLLMENT

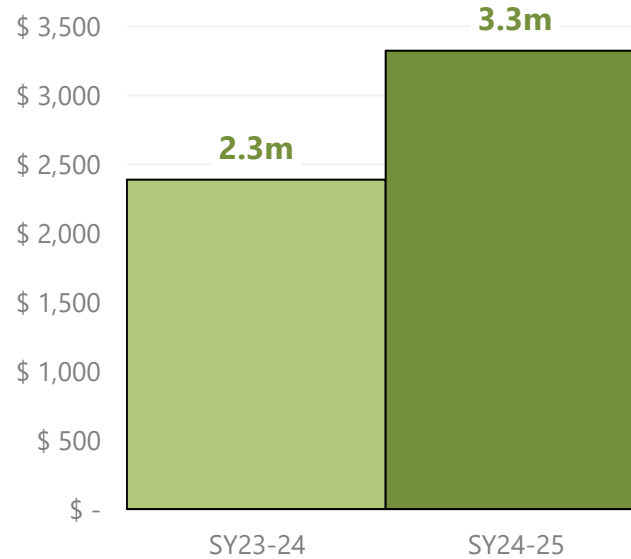


In FY25, we budgeted for a total of 250 students at the beginning of the year, which is an increase of 75 students from FY24.

Although we hope to keep every student, we conservatively planned for student attrition throughout the fiscal year as follows:

- Q1: 250 students
- Q2: 240 students
- Q3: 225 students
- Q4: 220 students

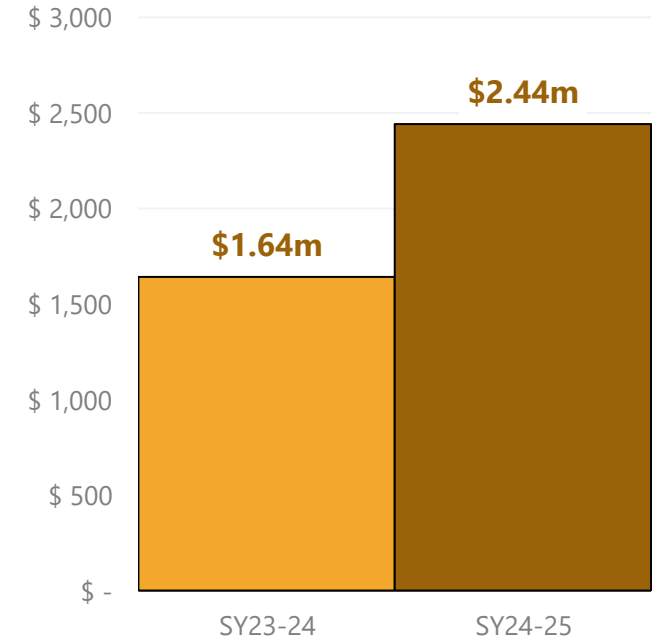
## LOCAL FUNDING INCREASE



Our local per-pupil funding makes up the largest revenue driver in our budget totaling \$3.3m, which is \$1m higher than the previous year.

This is driven by a per-student allocation of \$14k, which is down from the previous year rate which was \$15k. The decrease is from Blueprint Funding withholding at the district level.

## SALARY INCREASE

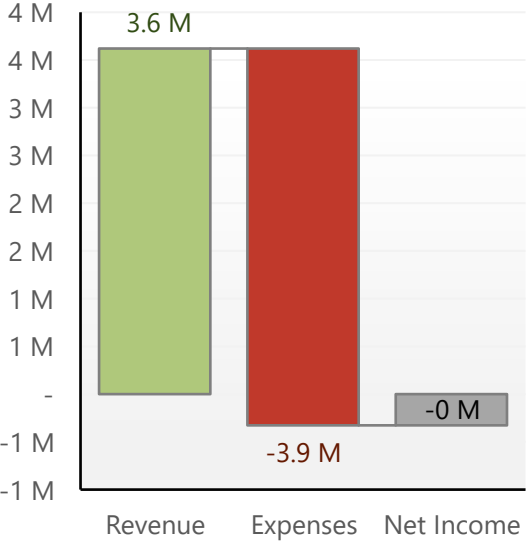


The largest expense driver is our personnel expense, which includes salaries, taxes, and benefits.

In FY24, this represented \$1.64m in our total spend, and this will increase with FY25 to \$2.44m. This accounts for inflationary increases for existing staff members and new positions added. We had 8 teachers in the FY24 budget and 14 budgeted in FY25.

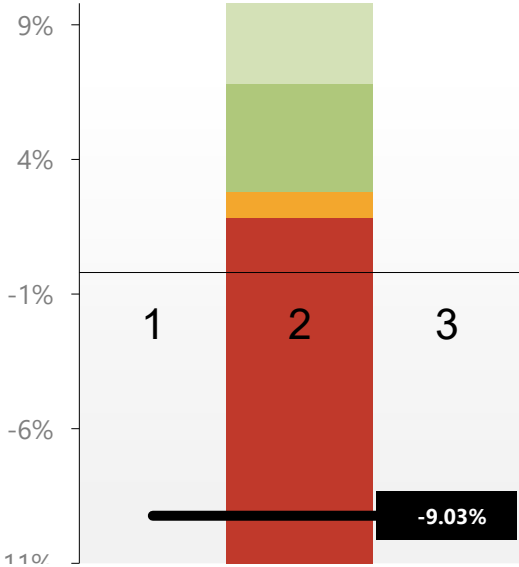
# Net Income and Gross Margin

## NET INCOME



Revenue	3,620,087
Expenses	3,947,084
<b>Net Income</b>	<b>-326,997</b>

## GROSS MARGIN



Revenue	3,620,087
Expenses	3,947,084
Net Income	-326,997
<b>Gross Margin</b>	<b>-9.03%</b>

Gross Margin = Net Income / Revenue

## COMMENTS

Our main goal in developing the FY25 budget was to ensure that we had positive cash flow for the fiscal year.

The forecasted operating income is \$59k and forecasted net income is -\$327k. The major difference between the two numbers is the operating income is before interest (\$100k) and depreciation, which is a non-cash expense (\$286k).

With our forecasted net income as is, we are projected to increase our cash balance in FY25.

# Cash Flow Summary

Item	Amount	Comment
<b>FY25 Starting Cash Balance</b>	<b>\$518k</b>	\$60k without loan proceeds
Add –Net Income	(\$327k)	
Add – Depreciation and amortization	\$286k	Non-cash expense so needs to be added back in
Add – accounting adjustments	(\$9k)	Includes Right of Use, Debt Cost, and Lease Liability
Less – Principal Debt payments	(\$35k)	CSDC Loans
Less – Capital purchases	(\$91k)	Includes building improvements, computers, and FF&E
Accounts Payable	(\$200k)	Driven by adjustments in accounts payable*
<b>Total Cashflow adjustments</b>	<b>(\$49k)</b>	
<b>FY25 Ending Cash Balance</b>	<b>\$142k</b>	<b>The cash balance translates to 36 days of cash, and is an increase of \$82k</b>

\*Accounts Payable – work continues with refining this number after speaking with vendors

# FY25 Budget

## REVENUE

State and Local Revenue	3,324,500
Federal Revenue	258,587
Private Grants and Donations	37,000
<b>Total Revenue</b>	<b>3,620,087</b>

## EXPENSES

Salaries	1,824,041
Benefits and Taxes	611,799
Contracted Staff	6,000
Rent	280,066
Occupancy Service	63,725
Direct Student Expense	566,356
Office & Business Expense	208,526
Depreciation and Amortization	286,352
Interest	100,219
<b>Total Expenses</b>	<b>3,947,084</b>
<b>Net Income</b>	<b>(326,997)</b>

## Adjustments To Cash Flow

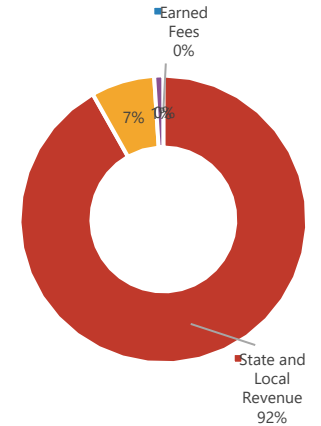
	SY24-25
Net Income	(326,997)
Add Depreciation	286,352
Operating Fixed Assets	(28,387)
Other Operating Activities	(200,000)
Financing Activities	(29,600)
Facilities Project Adjustments	(77,017)
<b>Net cash increase for year</b>	<b>(375,650)</b>

## REVENUE

We have budgeted **\$3,620,087** in revenue based upon 250 students, . The largest components of revenue are \$3.3m (91.8%) in State and Local Revenue and \$259k (7.1%) in Federal Revenue.

### Major Drivers:

\$3.3m in per pupil revenue  
 \$37k in private fundraising  
 \$260k in CSP funds

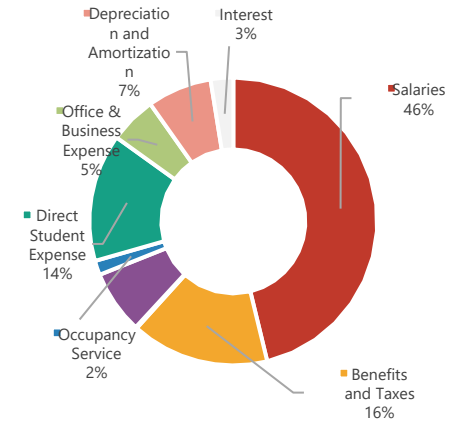


## EXPENSES

We have budgeted **\$3,947,084** in expenses. The largest components of expense are \$1,824,041 (46.2%) in Salaries and \$611,799 (15.5%) in Benefits and Taxes.

### Major Drivers:

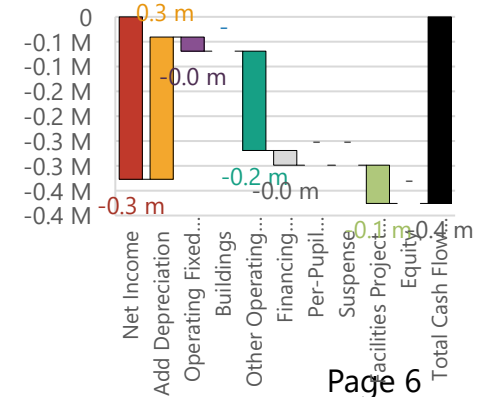
\$2.44m personnel expenses  
 \$566k in direct student expenses  
 \$280k in rent  
 \$208k in office and business



## ADJUSTMENTS TO CASH FLOW

We have budgeted a **\$375,650** loss in cash for the upcoming year. The largest adjustments are -\$326,997 in Net Income and \$286,352 in Add Depreciation.

This is our total cash outflow for the year including contributions to Phase II of construction utilizing loan proceeds that were receiving at the end of FY24. Overall, our cash increases without loan implications by \$82k.



# Beyond FY25

## Context, Goals, and Assumptions

### Context

- For the first year of operations, we focused on breaking even and investing in a strong program
- In our second year and beyond, It is important for us to develop a longer-term financial plan to steward us through normalizing of day-to-day operations
- We also have \$658k due in FY28 and \$588k due in FY29 as balloon payments on our loans (\$1.2m total), which we will refinance over a longer period of time.

### Goals

- Build up a strong cash balance from FY25 – FY27 to ensure that we have a strong balance sheet to bring to negotiations for refinance.
- To do this, we have set aside 4.3% of our operating revenue to build to ~\$450k in cash by the end of FY27. This is equivalent to about 113 days of cash in FY27 – a very strong cash position.

### Assumptions

- Grow enrollment to 255 beginning in FY26
- Fundraising remains small at \$50k/year
- Transportation expense through CCPS is removed
- PPF Rate increases by 3% each year
- CCPS Salaries increase by 5% each year

# Beyond FY25

## Roadmap and Opportunities

Roadmap for cash increase through FY27				
Category	FY24	FY25	FY26	FY27
Enrollment	250	255	255	255
Change in Cash	-	+\$83k	+\$187k	+\$125k
Ending Cash	\$60k	\$143k	\$330k	\$450k
Days of Cash	15	36	83	113

### Opportunities

- Small reliance on fundraising in our current model. We have the opportunity to subsidize our cash with additional funds specifically earned related to the building.
- Expense scale back. After CSP funding goes away, we will either have to remove expenses or increase revenue in order for us to meet this roadmap. Our current gap is ~\$300k.





## QUESTIONS?

Please contact your  
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# Appendix | Profit and Loss Changes

<b>Income Statement</b>	<b>SY23-24</b>	<b>SY24-25</b>	<b>Difference</b>
Revenue			
State and Local Revenue	2,389,600	3,324,500	934,900
Federal Revenue	166,460	258,587	92,127
Private Grants and Donations	37,052	37,000	(52)
Earned Fees	-	-	-
Donated Revenue	-	-	-
<b>Total Revenue</b>	<b>2,593,112</b>	<b>3,620,087</b>	<b>1,026,975</b>
Operating Expense			
Salaries	1,160,023	1,824,041	(664,018)
Benefits and Taxes	366,524	611,799	(245,275)
Contracted Staff	115,517	6,000	109,517
Staff-Related Costs	13,661	-	13,661
Rent	199,799	280,066	(80,266)
Occupancy Service	85,648	63,725	21,923
Direct Student Expense	261,309	566,356	(305,047)
Office & Business Expense	284,718	208,526	76,192
Donated Expense	-	-	-
Contingency	-	-	-
<b>Total Operating Expense</b>	<b>2,487,200</b>	<b>3,560,513</b>	<b>1,073,313</b>
<b>Net Operating Income</b>	<b>105,912</b>	<b>59,574</b>	<b>(46,338)</b>
Interest, Depreciation			
Depreciation and Amortization	129,917	286,352	(156,435)
Interest	59,700	100,219	(40,519)
<b>Total Expenses</b>	<b>2,676,816</b>	<b>3,947,084</b>	<b>1,270,267</b>
<b>Net Income</b>	<b>(83,704)</b>	<b>(326,997)</b>	<b>(243,292)</b>
<b>Adjustments To Cash Flow</b>	<b>SY23-24</b>	<b>SY24-25</b>	<b>Difference</b>
<b>Net Income</b>	<b>(83,704)</b>	<b>(326,997)</b>	<b>(243,292)</b>
Add Depreciation	129,917	286,352	156,435
Operating Fixed Assets	(150,166)	(28,387)	121,779
Buildings	-	-	-
Other Operating Activities	356,679	(200,000)	(556,679)
Financing Activities	148,135	(29,600)	(177,735)
Per-Pupil Adjustments	0	-	(0)
Suspense	-	-	-
Facilities Project Adjustments	53,845	(77,017)	(130,863)
<b>Net cash increase for year</b>	<b>454,706</b>	<b>(375,650)</b>	<b>(830,355)</b>

# Appendix: Monthly Cash

