

# MARANATHA CHRISTIAN ACADEMY

## Treasurer's Report Feb 2023

In order to be more transparent the School Board will publish a Treasurer's Report twice a year. Maranatha Christian Academy has created an Annual Budget that is approved by the Board around December/January of each year. Our Fiscal Year is August to July. The reason for setting the Budget so early is due to Employment contracts needing to be issued early and we have to set the Tuition and Fee Schedule in Jan for the following School year. We review our Operating Budget and Balance Sheet monthly. This report is tabulated by Miller Management and put in a report to the Board. The Treasurer presents the financial results to the Board and discusses any overspends or revenue shortfalls. We also have an annual Audit done by Keller Owens annually. This is important to give our Parents and donors piece of mind that our financials have been reviewed by an independent 3<sup>rd</sup> party.

Building Fund: Our new campus land, building, sports field, and furniture... cost approximately \$20,000,000. We were able to raise through the generosity of several friends of Maranatha approximately \$12,000,000. Of this amount, around \$500,000 is not collected yet due to annual contributions that could spread for up to 5 years. We also have several donated properties that we will eventually sell that can be used for additional projects that could bring another \$300,000 to \$400,000. We have two loans. The first is an \$8,500,000 bond that we have for 35 years at a fixed rate around 4.25%. The second loan was for \$350,000 at Country Club Bank that is due in August. This was a short term loan that will be paid by money from pledges we expect in the next 6 months.

### Existing Projects and Future Projects:

- Existing Projects:
  - We have purchased sound boards for the Gym. Due to Supply Chain delays these have not been installed. We expect them to be installed prior to the end of the school year. If this does not provide adequate sound improvement there could be a second phase. We have delayed installing the State Champion Banners, Corporate Sponsorship Banners, and any paint striping until the sound is where we want it.
  - Outside Storage- We have purchased some outside storage Conic containers for Lawn care, sports equipment, and other stuff. These will be installed when the concrete pads are poured, and the grass has come in better.
  - Grass- We seeded the whole property last fall with disappointing success. We will have to over-seed again this Spring. This has to be completed to get our final occupancy.
  - Track Equipment- We received a generous donation to purchase a high jump pit, some hurdles for one lane and throwing circles for the track program. We hope to have these very soon. We still have more to do to host a meet, but this will allow us to practice effectively.

- Future Projects:
  - We have artificial turf from the University of Missouri that has not been used. As money allows we will build a small soccer or playing field by the playground. We also hope to add a Basketball goal and concrete pad.
  - Parking- The City does not require us to have more parking, at this time, but it is apparent that for large School functions we have a shortfall of parking. The field to the north of our current parking lot is set aside for future additions. Any expansion of the school will require us to complete this parking lot and the drive around the east side of the campus.

Operating Budget and Results YTD:

After years of having to fund raise ourselves out of a negative Operating Cash Flow, we have had a positive Operating Cash Flow for the past three years (\$435,000 in 20/21, \$43,892 in 21/22, and trending toward a positive cash flow in 22/23. This has been possible with our enrollment increasing each year. (371 students were enrolled in K-12 in 20/21; 424 K-12 in 21/22; and 466 K-12 in 22/23). This is really important, since all of our programs were starving for funds and our teacher salaries were not keeping up with inflation. If we can increase our revenues we can increase our staffing, class offerings, counseling, sports equipment, Capital Projects and so on. We are projecting steady enrollment increases in our 5-year budget projections. However, our 9-12 grades are not growing at the same rate as the elementary. We have 205 students 7-12 this year and depending on the graduating class only see this growing by 10-12 students in the next 2 years. The growth of our High School is one of our biggest challenges. We were hoping that our new Facility and sports fields would appeal to parents that want their children to have this experience. As we build our programs, we hope to be able to pull Christian families from area Public Schools and Home School.

Below is our YTD summary Operations Cash Flow without any Building Donations:

	<b>Actual YTD</b>	<b>Budget YTD</b>
Revenues less financial Aid	\$2,139,668	\$2,083,578
Expenses		
Instructional	\$81,914	\$46,500
Programs and Services	\$159,244	\$117,000
Personnel	\$1,254,452	\$1,303,778
Operations	\$86,113	\$109,737
Professional Services	\$92,023	\$83,750
Facilities/Vehicles	<u>\$396,383</u>	<u>\$389,000</u>
Total Expenses	\$2,070,130	\$2,049,765
<b>Operations Income</b>	<b>\$69,538</b>	<b>\$33,813</b>

We are projecting 2023/24 enrollment to increase by 21 students. If this does not happen, we will have to make choices on expenditures. Unfortunately, we often times don't know our enrolment numbers until late summer. Our largest expense as shown above is Personnel. We try to keep our Personnel cost around 60% of Revenue. Class sizes are a very important factor in achieving this %. We can optimize our Operations by having 20 + students in a class.

Bernie Zarda is the Treasurer and is willing to discuss any further details you have on our school financials [zarda.bernie@gmail.com](mailto:zarda.bernie@gmail.com).