

## JAAZ Proposed Budget for 2021-22

### Major Assumptions:

- We will slowly recover from the pandemic as vaccines become more widely administered
- JABT/JAFP will slowly come back to in-person fieldtrips but will be down from pre-pandemic numbers and we will need to lower our fee from \$18/student to \$15/per student
- K-12 students increase 58% in CAZ and 20% in SAZ from FY 20/21 Forecast (as of 3.15.21)
- Corporate giving is expected to still be lower than historical but recovering a bit from pandemic lows
- Individual giving expected to continue to show larger increases due to continued, focused development and marketing efforts
- Second PPP loan (\$405K) is expected to be forgiven, and revenue recognized in early FY 21/22
- Special Events are expected to be up about as vaccinations are completed and as JA Inspire is grown
- During the year we expect to have a new Education position dedicated primarily to JA Inspire, and to hire a part-time receptionist and four part-time coordinators. An average 2% salary increase is budgeted for all staff. Changes in salary for market adjustments are budgeted for the spring.
- Medical insurance premiums increasing 7%
- Operating expenses slowly increasing to pre-pandemic norms
- Increase in marketing as planned based on ATLAS program insights. Marketing moved from Outside services and Postage under Administrative Expenses to Public Relations under Development Expenses.

### Highlights (all variance explanations are 21/22 Budget compared to 20/21 Forecast as of 3/15/21 unless otherwise stated)

- We have budgeted revenues of \$4.15M over operating expenses of \$3.75M, resulting in a budgeted surplus of \$404K above the line and \$285K bottom line. The focus for 2021/22 is on navigating the pandemic and (hopefully) pandemic recovery, business and social environment to the best of our abilities, remaining agile, flexible and innovative.
- **Revenue** – Total operating revenue is budgeted at \$4.15M which is 20% higher than the 2020/21 forecast.
- **Expenses** – Total operating expenses is budgeted at \$3.75M, an increase of about 24% over the 2020/21 forecast. This includes an increase in Salaries & Benefits of \$406K, JA USA Program & Support Fees of \$86K, Program materials of \$64K and Marketing of \$75K.
- **Capital** – We have developed a capital budget and are implementing based on priorities. We plan to spend about \$104.5K on capital projects. Included in the budget are 3 air conditioning units, additions updated to the JA BizTowns, a new alarm system and painting the building.
- **Cash** – We expect cash to decrease overall throughout the year as we already have the \$405K from PPP2 on hand and that will be spent over time. However, if things proceed as per our assumptions, we expect not have to liquidate any investments below the level currently held and we do not expect to have to take on any new debt.

### Revenue

- **Corporate** is projected to increase 8%.
- **Individual** is projected to increase 27%.
- **Foundations** grants are expected to increase 50%, as we are hopeful that innovations in programs and delivery will appeal to funders and recovery from the pandemic as vaccines are administered will allow grantors to change their focus.
- **Government** grants are expected to be maintained at current levels.

- **Special Events** is projected to increase 20%. Concerted efforts to grow JA Inspire should generate greater fundraising opportunities.
- **JA BizTown Student Fees** -Expect to be able to start field trips again, however expected to be slow to grow back to former levels and will likely reduce per student fee from \$18 to \$15.
- **CAZ** – Revenues are projected up \$594K or 19%.
- **SAZ** – Revenues are projected up \$100K or 32%. Major increase is due to JA Inspire.

## Expenses

- **Salaries and Benefits**
  - **Salaries and Taxes**– increasing 20%.
  - **Insurance & Pension** – 11% increase is due to an increase in pension costs driven by new participants entering the plan. Any increase in medical premiums will be passed on to the employees.
- **Administrative expenses** - decreasing by (5%). Marketing budgeted is moved completely to Development Expense section, this is reflected by large decreases in Outside Services and Postage. Most other areas are expected to increase due to office reopening during year.
- **Program Expenses** – increasing 51%. Program Material is budgeted to increase \$64K, as JABT and JAFP should be running again this year and as kits will be used more in K12 as traditional in-class programs gear back up. Program and Support fees are determined by and paid to JA USA based on our revenues from FY 19-20 and will increase \$86K or 32%.
- **Development Expenses** - are increasing 58% due to increases in special events, increase in marketing budget by \$75K and as all marketing expenses will now be recorded in this area.