



**Iowa Center for Economic Success
Fiscal Year Ending June 30,2023
Budget Narrative**

1 The Iowa Center has accumulated operating funds from prior periods that will now be strategically deployed during fiscal year 7/1/2022 - 6/30/2023:

- Stanley Foundation Funds Balance of \$170,425 (Approved for spending by April '22 board motion)
- Kauffman Foundation Funds Balance of \$279,680 (To be spent per Kauffman grant agreement)
- Excess VITA Funds Balance of \$8,175 (To be spent per IRS VITA contract)

2 The Iowa Center's financials are on a sound and stable financial footing

- The general operations revenue and expense budget is balanced to break even
- Investing accumulated prior period funds in ourselves to drive calibrated growth by hiring of a Director of Development, the opening of our Muscatine office, and the opening of a Line of Credit to Iowa Center Loan Fund to support CDFI lending
- The Iowa Center will continue to maintain a 3-month operating reserves account

3 Risks & Opportunities

- Increased donor contributions goal bears a risk of effectiveness and timing of new fundraising efforts
- Timing of CDFI lending capital funding and future technical assistance opportunities
- Inherent risks related to economic factors, timing of new hires, and normal personnel turnover



**Iowa Center for Economic Success
Fiscal Year Ending June 30, 2023
Budget Bullet Points**

1 7/1/2021 - 6/30/2022 Highlights:

Forecasted surplus of \$259,000 vs budgeted deficit (\$119,000)

Forecasted ending Net Assets increasing to \$924,000 from \$665,000

\$100,000 transferred to Iowa Center Loan Fund for use as lending capital in July 2021

\$150,000 Line of Credit to Iowa Center Loan Fund board approved April 2022

\$100,000 of remaining Stanley funds board approved for Development Director April 2022

Kauffman 3-year grant revenue recognized but majority of spending will occur during FY 6/30/2023 and FY 6/30/2024

2 Budget Period 7/1/2022 - 6/30/2023

Iowa Center Loan Fund operations are covered by Iowa Center for Economic Success and included in this budget

6/30/2023 forecasted ending Net Assets balance approximately equal to the 6/30/2021 ending Net Asset balance

6/30/2022 forecasted ending net assets inflated due to recognition of Kauffman Funds in year one

3-month operating reserve is maintained as a board designated Net Asset account

Total FYE 6/30/2023 deficit spending of (272,425) from revenue recognized in prior periods:

\$100,000 from board approved spending of remaining Stanley funds

\$172,425 from excess VITA funds and restricted Kauffman funds

Donor Contributions revenue goal is increasing approximately \$250,000

New Donations in anticipation of hiring of a Development Director

Funds required to cover additional personnel costs and the anticipated reduction of government funding (PPP & CARES)

Iowa Center for Economic Success
Statement of Activity - Forecast
For the fiscal year ended June 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | With Board Designations | Total |
|---|-------------------------------|----------------------------|----------------------------|------------------|
| Revenue, Gains, and Public Support | | | | |
| Donor Contributions | 215,974 | 294,306 | | 510,280 |
| Gov't Grants | 841,200 | | | 841,200 |
| Contract Income | 111,140 | | | 111,140 |
| Program Income | 5,000 | | | 5,000 |
| Investment Income | - | | | - |
| Total Support and Revenue | 1,173,314 | 294,306 | - | 1,467,620 |
| Expenses | | | | |
| Personnel | 737,825 | 12,175 | | 750,000 |
| Professional Services | 37,150 | | | 37,150 |
| Occupancy | 60,543 | | | 60,543 |
| Office Expense | 35,230 | 2,450 | | 37,680 |
| Marketing | 2,100 | | | 2,100 |
| Programming | 87,000 | 3,380 | | 90,380 |
| VITA Tax Sites | 222,184 | | | 222,184 |
| Insurance | 8,150 | | | 8,150 |
| | | | | - |
| Total Expenses | 1,190,182 | 18,005 | - | 1,208,187 |
| Supporting Services | | | | |
| | | | | - |
| Total Expenses | 1,190,182 | 18,005 | - | 1,208,187 |
| CHANGES IN NET ASSETS | (16,868) | 276,301 | - | 259,433 |
| NET ASSETS - Beginning of Year | 172,990 | 11,555 | 480,425 | 664,970 |
| NET ASSETS - End of Year | 156,122 | 287,856 | 480,425 | 924,403 |

Iowa Center for Economic Success
6/30/2022 FORECAST - Balance Sheet

| Statement of Financial Position (As of June 30th, 2022) | |
|--|------------------|
| | 6/30/2022 |
| Assets | |
| Bank Accounts | 596,783 |
| Endowment Fund | 27,000 |
| Accounts Rec (forecast) | 200,903 |
| Prepaid Expenses | 0 |
| Other Assets | 69,300 |
| Fixed Assets | 41,678 |
| Total Assets | 935,664 |
| Liabilities | |
| Accounts Payable | 0 |
| Payroll Liabilities | 11,261 |
| Deferred Income | 0 |
| Other Liabilities | - |
| Total Liabilities | 11,261 |
| Total Net Assets | 924,403 |
| Total Liab. & Equity | 935,664 |

6/30/2022 FORECAST - Cash

| Actual Cash On-Hand | Use of Funds 7.1.22-6.30.23 |
|---------------------|--|
| \$11,261.00 | Current Liabilities |
| \$132,528.00 | Donor Restricted Kauffman funds balance |
| \$8,175.00 | Grant Restricted VITA Funds |
| \$80,700.00 | Loan Fund Line of Credit Available Balance |
| \$232,664.00 | Restricted Funds to be spent during FYE 6/30/2023 |
| \$310,000.00 | Board designated Operations (3 months) |
| \$ 54,119.00 | Unrestricted Funds |
| \$364,119.00 | Total Operating Cash Reserves available on 7/1/2022 |
| \$596,783.00 | Total All Bank Accounts as of 7/1/2022 |

Iowa Center for Economic Success
Statement of Activity - Budget
For the fiscal year ended June 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | With Board Designations | Total |
|---|-------------------------------|----------------------------|----------------------------|------------------|
| Revenue, Gains, and Public Support | | | | |
| Donor Contributions | 465,000 | | | 465,000 |
| Gov't Grants | 550,000 | | | 550,000 |
| Contract Income | 57,500 | | | 57,500 |
| Program Income | 8,000 | | | 8,000 |
| Investment Income | 2,000 | | | 2,000 |
| Total Support and Revenue | 1,082,500 | - | - | 1,082,500 |
| Net Assets released from Restriction | | | | - |
| Expenses | | | | |
| Personnel | 708,027 | 156,868 | 100,000 | 964,895 |
| Professional Services | 31,670 | | | 31,670 |
| Occupancy | 61,640 | | | 61,640 |
| Office Expense | 32,725 | | | 32,725 |
| Marketing | 500 | | | 500 |
| Programming | 35,330 | 9,175 | | 44,505 |
| VITA Tax Sites | 204,290 | 6,500 | | 210,790 |
| Insurance | 8,200 | | | 8,200 |
| Total Expenses | 1,082,382 | 172,543 | 100,000 | 1,354,925 |
| Supporting Services | | | | - |
| Total Expenses | 1,082,382 | 172,543 | 100,000 | 1,354,925 |
| CHANGES IN NET | | | | |
| ASSETS | 118 | (172,543) | (100,000) | (272,425) |
| NET ASSETS - Beginning of Year | 156,122 | 287,856 | 480,425 | 924,403 |
| NET ASSETS - End of Year | 156,240 | 115,313 | 380,425 | 651,978 |

| | | |
|--|---|---|
| <p>Notes: Unrestricted Net Assets <i>General Operations & Programs</i> \$76,665 unrestricted remains \$79,575.00 Loan Fund L.O.C. Available</p> | <p>Donor-restricted Net Assets <i>Kauffman funds</i> \$115,313 Kauffman Remaining for FYE 6.30.24</p> | <p>Net Assets with Board Designations <i>Operating Reserves, loan Fund L.O.C.</i> \$310,000 Operating Reserves Remains \$70,425 Loan Fund L.O.C. in use</p> |
|--|---|---|