

HOGAN
PREP ACADEMY



August 2022 Financials

PREPARED SEP'22 BY



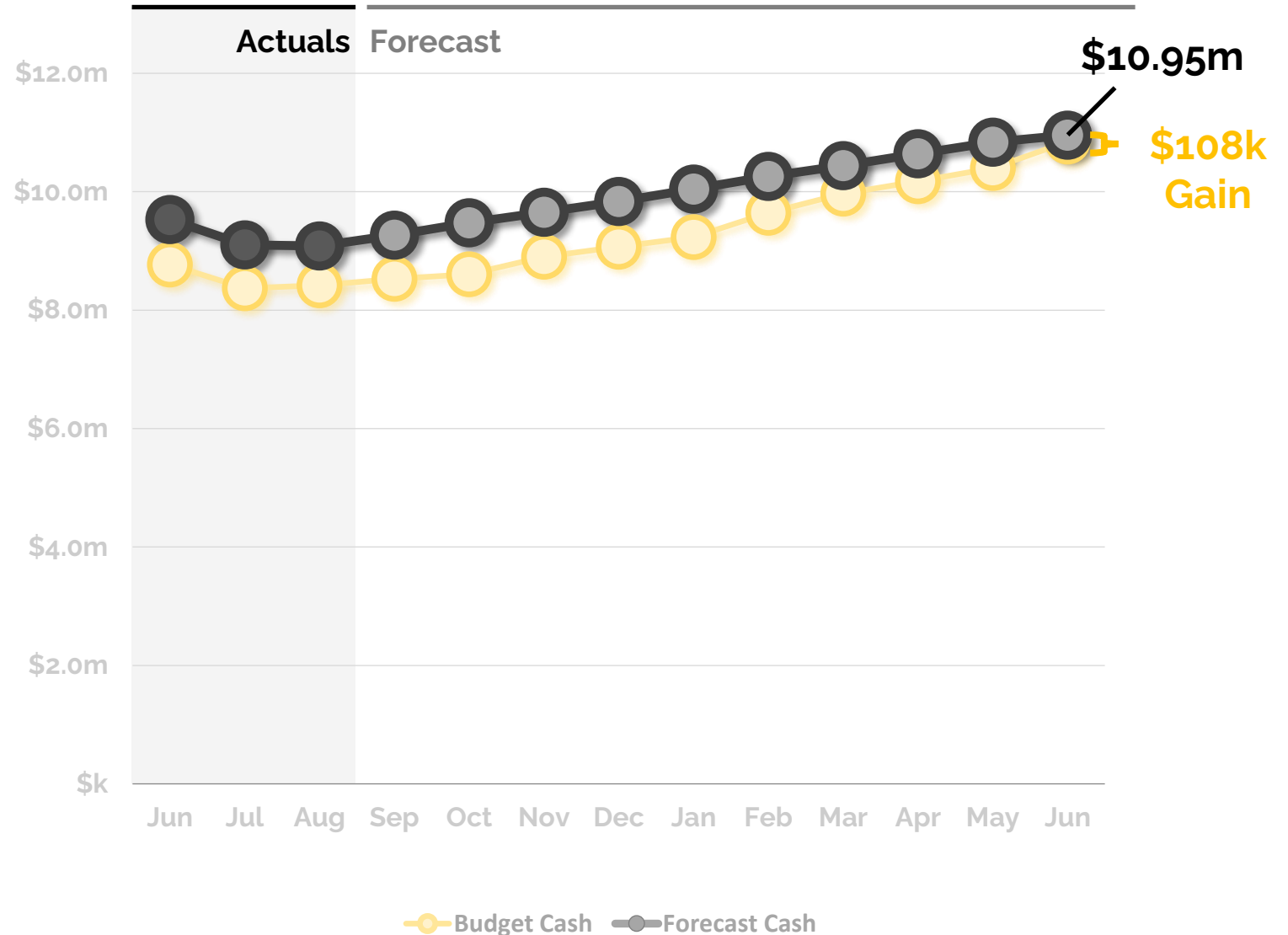
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- Revenue was adjusted this month to more accurately reflect enrollment. Student enrollment was lowered from 1310 to 1086, resulting in a \$1,296K reduction in FY23 revenue.
 - This revenue decrease will be partially offset by changes to the funding formula which eliminate the funding gap for charter schools. The State of MO is hoping to have the funding revisions ready by 01/23. They will be retroactive to the first of the fiscal year.
- Despite the revenue adjustment for lower enrollment, we are currently still projecting to make our budgeted cash reserves.
 - Lower than anticipated expenses for staffing and benefits are helping to offset lower revenue projections.
- KLS Loan Covenants – as a quick reminder, we must continue to monitor our enrollment reserves to ensure we meet the loan covenant.
 - Enrollment – No fewer than 1075 students

235 Days of Cash at year's end

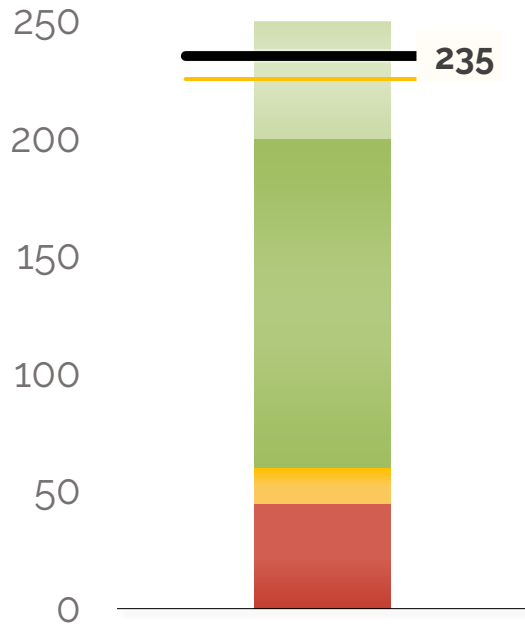
We forecast the school's year ending cash balance as **\$11m**, **\$108k** above budget.

The decrease in enrollment and corresponding revenue will impact available funds for the capital project. The most recent pro forma had indicated cash reserves of \$12,3M vs. the \$11M we see here.



Days of Cash

Cash balance at year-end divided by average daily expenses

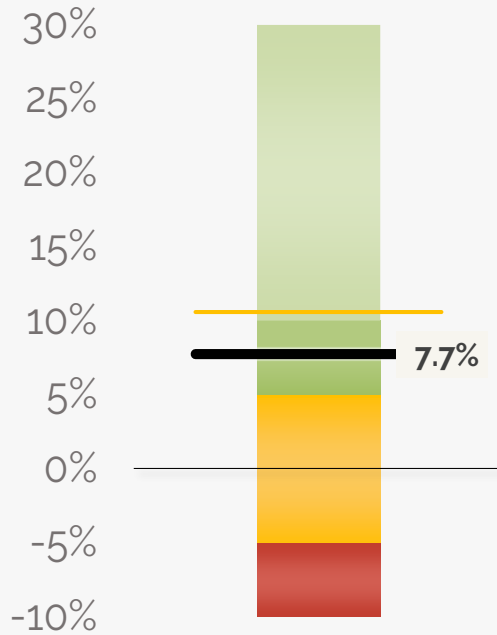


235 DAYS OF CASH AT YEAR'S END

The school will end the year with 235 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

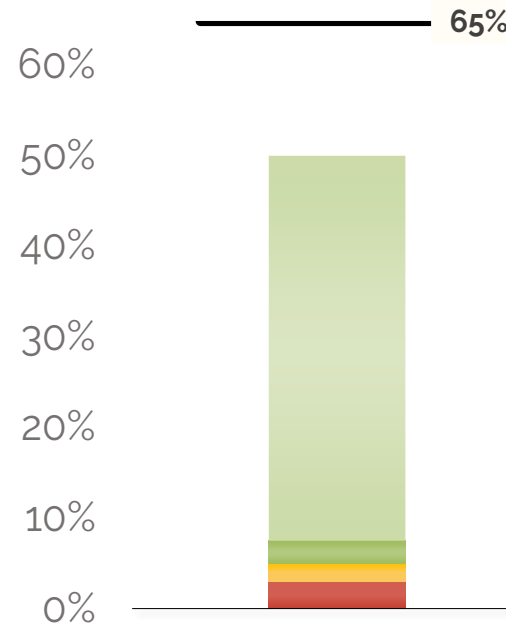


7.7% GROSS MARGIN

The forecasted net income is \$1.4m, which is \$652k below the budget. It yields a 7.7% gross margin.

Fund Balance %

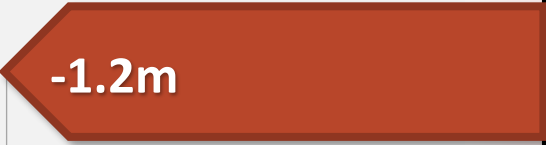




Forecasted Ending Fund Balance / Total Expenses



64.86% AT YEAR'S END

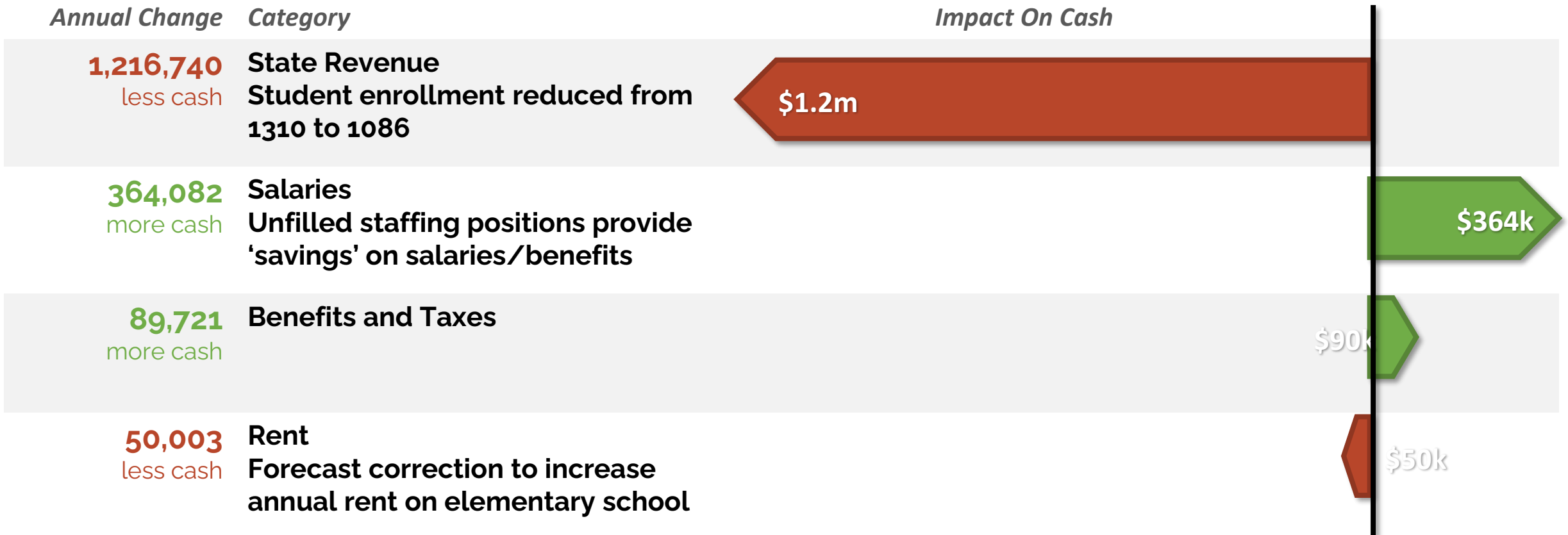
The school is projected to end the year with a fund balance of \$11,023,513. Last year's fund balance was \$9,599,590.

Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$18.4m	\$19.6m	-\$1.2m		Student enrollment was reduced from 1310 to 1086.
Expenses	\$17m	\$17.6m	\$561k		Current unfilled positions are providing 'savings' on salaries and benefits.
Net Income	\$1.4m	\$2.1m	-\$652k		Revenue decrease is offset by reduced expenses.
Cash Flow Adjustments	\$1k	0	\$1k		
Change in Cash	\$1.4m	\$2.1m	-\$651k		

Key Forecast Changes This Month

The August forecast **decreased** the year-end cash expectation by \$820k. *Key changes:*



	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	304,347	226,728	77,619	1,495,594	1,491,727	3,867	1,191,246
State Revenue	1,420,598	1,472,696	(52,098)	9,190,889	10,407,630	(1,216,741)	7,770,291
Federal Revenue	85,998	876,707	(790,708)	6,202,778	6,202,728	50	6,116,780
Private Grants and Donations	41,700	-	41,700	557,500	557,500	-	515,800
Earned Fees	95,351	-	95,351	972,866	972,866	(0)	877,515
Total Revenue	1,947,995	2,576,131	(628,137)	18,419,627	19,632,450	(1,212,824) ①	16,471,632
Expenses							
Salaries	981,658	1,187,541	205,883	6,620,822	7,125,248	504,427	5,639,164
Benefits and Taxes	270,166	338,274	68,108	1,912,150	2,029,643	117,494	1,641,983
Staff-Related Costs	12,046	37,979	25,933	227,875	227,875	0	215,829
Rent	33,333	25,000	(8,333)	200,003	150,000	(50,003)	166,670
Occupancy Service	152,565	181,284	28,719	1,087,703	1,087,703	0	935,138
Student Expense, Direct	273,134	304,345	31,211	1,826,069	1,826,069	(0)	1,552,935
Student Expense, Food	226,775	182,166	(44,609)	1,092,995	1,092,995	0	866,220
Office & Business Expense	114,473	190,142	75,669	1,152,260	1,140,849	(11,411)	1,037,787
Transportation	7,621	156,927	149,306	941,560	941,560	(0)	933,939
Total Ordinary Expenses	2,071,772	2,603,657	531,886	15,061,437	15,621,943	560,506	12,989,665
Net Operating Income	(123,777)	(27,526)	(96,251)	3,358,190	4,010,508	(652,318)	3,481,967
Extraordinary Expenses							
Interest	14,039	14,039	-	84,233	84,233	0	70,194
Facility Improvements	310,000	308,339	(1,661)	1,850,034	1,850,034	0	1,540,034
Total Extraordinary Expenses	324,039	322,378	(1,661)	1,934,267	1,934,268	0	1,610,228
Total Expenses	2,395,810	2,926,035	530,225	16,995,704	17,556,210	560,506 ②	14,599,894
Net Income	(447,816)	(349,904)	(97,912)	1,423,923	2,076,240	(652,317) ③	1,871,739
Cash Flow Adjustments	5,698	-	5,698	1,297	-	1,297	(4,402)
Change in Cash	(442,117)	(349,904)	(92,214)	1,425,219	2,076,240	(651,021) ⑤	1,867,337

① **REVENUE: \$1.2M BEHIND**
Enrollment decreased from 1310 to 1086

② **EXPENSES: \$561K AHEAD**
'Savings' on unfilled staff positions

③ **NET INCOME: \$652K behind**

④ **CASH ADJ: \$1K AHEAD**

⑤ **NET CHANGE IN CASH: \$651K BEHIND**

Monthly Financials

Income Statement	Actual		Forecast										TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Revenue													
Local Revenue	159,450	144,898	119,125	119,125	119,125	119,125	119,125	119,125	119,125	119,125	119,125	119,125	1,495,594
State Revenue	652,434	768,164	777,029	777,029	777,029	777,029	777,029	777,029	777,029	777,029	777,029	777,029	9,190,889
Federal Revenue	76,426	9,573	611,678	611,678	611,678	611,678	611,678	611,678	611,678	611,678	611,678	611,678	6,202,778
Private Grants and Donations	1,000	40,700	51,580	51,580	51,580	51,580	51,580	51,580	51,580	51,580	51,580	51,580	557,500
Earned Fees	95,351	0	87,752	87,752	87,752	87,752	87,752	87,752	87,752	87,752	87,752	87,752	972,866
Total Revenue	984,660	963,335	1,647,163	1,647,163	1,647,163	1,647,163	1,647,163	1,647,163	1,647,163	1,647,163	1,647,163	1,647,163	18,419,627
Expenses													
Salaries	538,677	442,981	569,492	543,107	574,204	566,882	542,274	542,274	567,761	552,024	555,024	626,124	6,620,822
Benefits and Taxes	139,145	131,021	164,313	162,294	164,673	164,373	162,231	162,231	164,180	162,976	164,002	170,711	1,912,150
Staff-Related Costs	6,252	5,795	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	227,875
Rent	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,003
Occupancy Service	80,950	71,615	93,514	93,514	93,514	93,514	93,514	93,514	93,514	93,514	93,514	93,514	1,087,703
Student Expense, Direct	56,179	216,955	155,294	155,294	155,294	155,294	155,294	155,294	155,294	155,294	155,294	155,294	1,826,069
Student Expense, Food	226,775	0	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	1,092,995
Office & Business Expense	55,670	58,803	103,779	103,779	103,779	103,779	103,779	103,779	103,779	103,779	103,779	103,779	1,152,260
Transportation	2,485	5,136	93,394	93,394	93,394	93,394	93,394	93,394	93,394	93,394	93,394	93,394	941,560
Total Ordinary Expenses	1,122,800	948,972	1,304,656	1,276,253	1,309,729	1,302,107	1,275,356	1,275,356	1,302,793	1,285,852	1,289,877	1,367,686	15,061,437
Operating Income	-138,140	14,363	342,507	370,910	337,434	345,056	371,807	371,807	344,370	361,311	357,286	279,477	3,358,190
Extraordinary Expenses													
Interest	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	84,233
Facility Improvements	281,250	28,750	154,003	154,003	154,003	154,003	154,003	154,003	154,003	154,003	154,003	154,003	1,850,034
Total Extraordinary Expenses	288,269	35,769	161,023	161,023	161,023	161,023	161,023	161,023	161,023	161,023	161,023	161,023	1,934,267
Total Expenses	1,411,069	984,741	1,465,679	1,437,276	1,470,752	1,463,130	1,436,379	1,436,379	1,463,816	1,446,875	1,450,900	1,528,709	16,995,704
Net Income	-426,409	-21,406	181,484	209,887	176,411	184,034	210,784	210,784	183,347	200,289	196,264	118,454	1,423,923
Cash Flow Adjustments	2,575	3,124	-440	-440	-440	-440	-440	-440	-440	-440	-440	-440	1,297
Change in Cash	-423,835	-18,283	181,044	209,447	175,971	183,593	210,344	210,344	182,907	199,848	195,823	118,014	1,425,219

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>8/31/2022</i>	<i>6/30/2023</i>
Assets			
Current Assets			
Cash	9,527,639	9,085,521	10,952,858
Total Current Assets	9,527,639	9,085,521	10,952,858
Total Assets	9,527,639	9,085,521	10,952,858
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-71,951	-66,253	-70,655
Total Current Liabilities	-71,951	-66,253	-70,655
Total Long-Term Liabilities	0	0	
Total Liabilities	-71,951	-66,253	
Equity			
Unrestricted Net Assets	9,599,590	9,599,590	9,599,590
Net Income	0	-447,816	1,423,923
Total Equity	9,599,590	9,151,774	11,023,513