

HOGAN
PREP ACADEMY



December 2022 Financials

PREPARED JAN'23 BY



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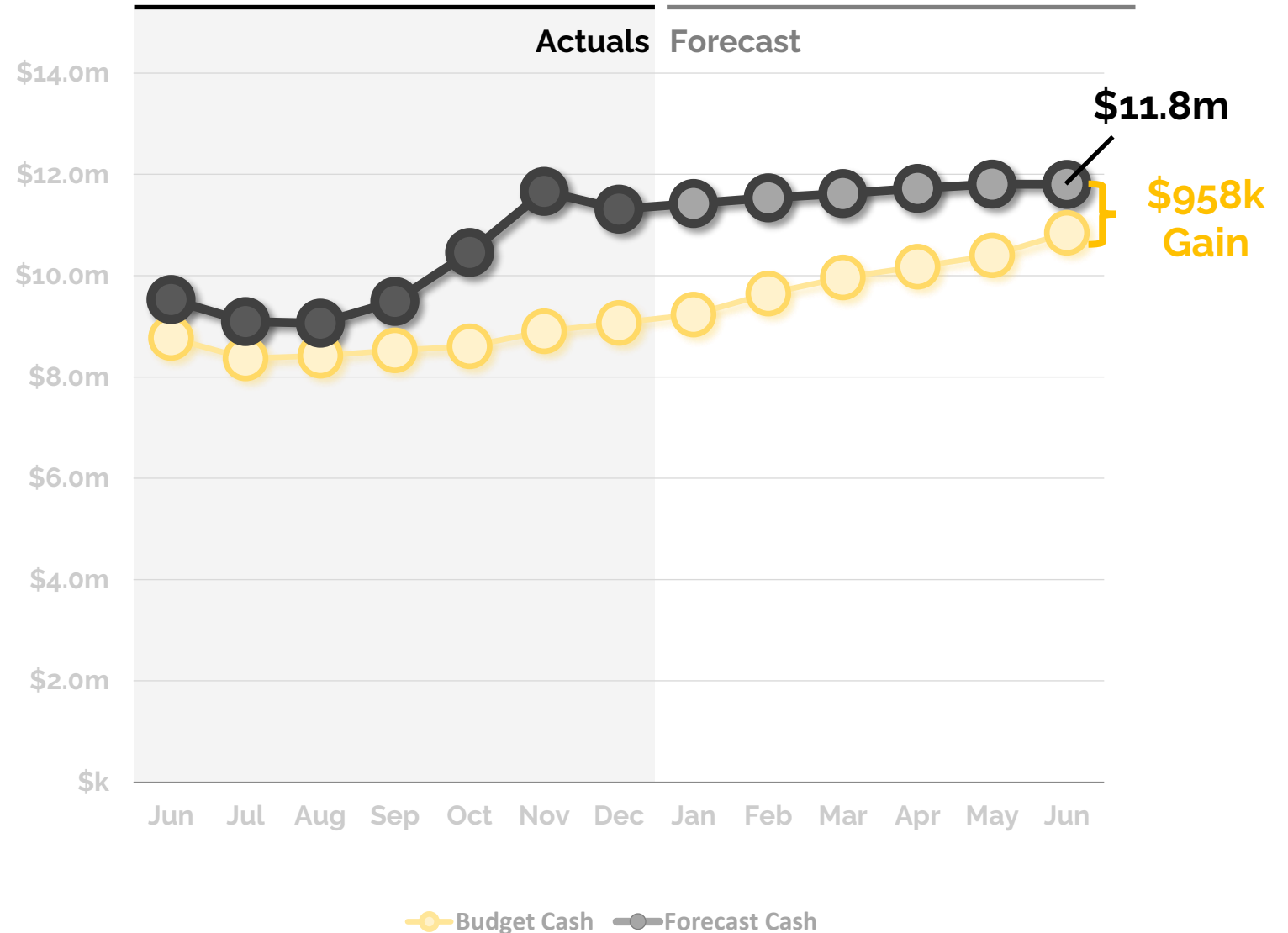
- Hogan ended December, 2022 with a projected \$11.8M in cash reserves at year end. While is still a bit ahead of the original forecast, it is \$1.35M lower than the 11/22 projections. Correspondingly, days of cash dropped from 281 to 251.
- State revenue continues to be negatively impacted by enrollment and attendance declines. Average Daily Attendance (ADA) has gone from a budget of 1087.4 to 823.5, an almost 25% decline.
- Enrollment as of 12/31/22 was 1041 students. This officially drops Hogan below the 1075 threshold set by KLS, the provider of our capital project loan. Senior leadership will be talking with KLS in early February and will include this information in that discussion.

- The changes in enrollment and attendance have eroded all of the additional revenue gained this year by the new funding equity WADA. There's still a chance to gain some of that revenue back if Hogan is able to increase enrollment and attendance from current levels.
- Expenses continue to trend slightly below budget, still largely due to open staffing positions. This is helping offset some of the increases we are seeing in other expense categories (security, employee benefits, facilities).

251 Days of Cash at year's end

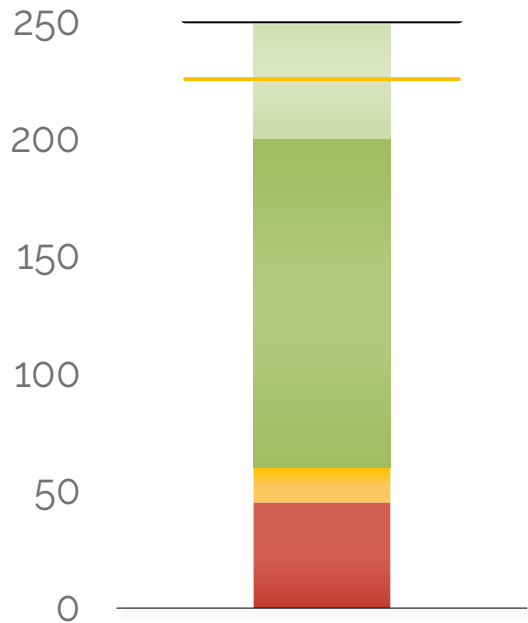
We forecast the school's year ending cash balance as **\$12m**, **\$958k** above budget.

While we are still trending ahead of budget, we lost ground in December. November 2022 YE cash balance was 13.15M and 281 days.



Days of Cash

Cash balance at year-end divided by average daily expenses

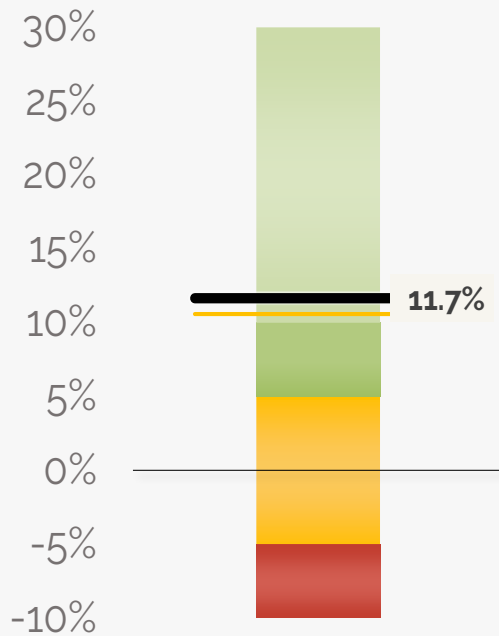


251 DAYS OF CASH AT YEAR'S END

The school will end the year with 251 days of cash. This is above the recommended 60 days. Days of Cash as of 11/22 was 281 days.

Gross Margin

Revenue less expenses, divided by revenue

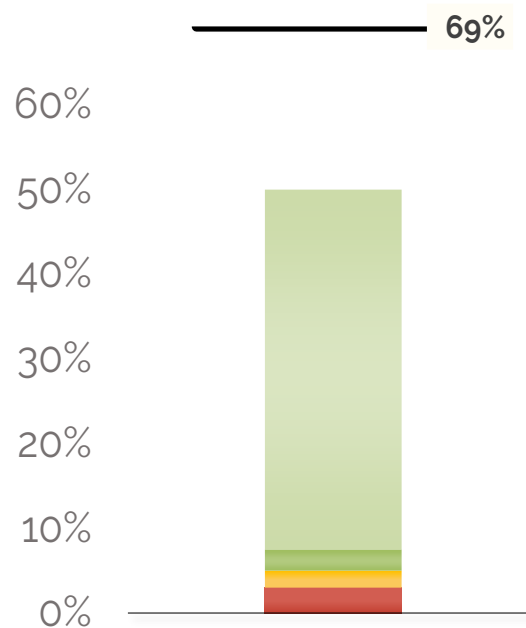


11.7% GROSS MARGIN

The forecasted net income is \$2.3m, which is \$187k above the budget. It yields a 11.7% gross margin.

Fund Balance %

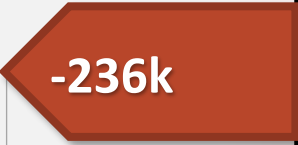
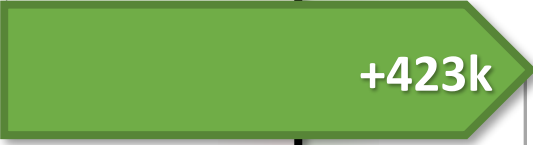
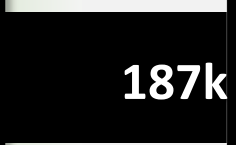

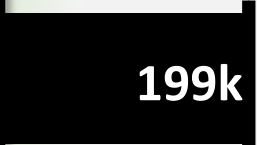
Forecasted Ending Fund Balance / Total Expenses



69.24% AT YEAR'S END

The school is projected to end the year with a fund balance of \$11,862,525. Last year's fund balance was \$9,599,590.

Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$19.4m	\$19.6m	-\$236k		Decreases in enrollment and attendance continue to erode State revenue, Hogan's largest source of funds.
Expenses	\$17.1m	\$17.6m	\$423k		Unfilled staff positions result in salary and benefit 'savings'
Net Income	\$2.3m	\$2.1m	\$187k		
Cash Flow Adjustments	\$12k	0	\$12k		
Change in Cash	\$2.3m	\$2.1m	\$199k		

	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	809,815	745,864	63,951	1,507,981	1,491,727	16,254	698,167
State Revenue	5,134,673	4,712,736	421,938	10,383,928	10,407,630	(23,702)	5,249,254
Federal Revenue	2,039,784	2,952,279	(912,495)	6,543,506	6,202,728	340,778	4,503,722
Private Grants and Donations	355,700	278,750	76,950	557,500	557,500	(0)	201,800
Earned Fees	263,406	389,146	(125,740)	403,617	972,866	(569,249)	140,211
Total Revenue	8,603,378	9,078,775	(475,397)	19,396,532	19,632,450	(235,918) ①	10,793,154
Expenses							
Salaries	3,056,868	3,562,624	505,756	6,637,358	7,125,248	487,891	3,580,490
Benefits and Taxes	805,984	1,014,822	208,838	1,907,658	2,029,643	121,985	1,101,674
Staff-Related Costs	74,942	113,938	38,996	229,037	227,875	(1,161)	154,095
Rent	100,000	75,000	(25,000)	200,002	150,000	(50,002)	100,002
Occupancy Service	593,573	543,852	(49,721)	1,208,223	1,087,703	(120,520)	614,650
Student Expense, Direct	525,677	913,034	387,358	1,826,069	1,826,069	(0)	1,300,392
Student Expense, Food	381,830	546,498	164,668	1,092,995	1,092,995	0	711,165
Office & Business Expense	377,089	570,425	193,335	1,156,428	1,140,849	(15,579)	779,339
Transportation	416,035	470,780	54,745	941,560	941,560	(0)	525,525
Total Ordinary Expenses	6,331,998	7,810,971	1,478,973	15,199,329	15,621,943	422,613	8,867,331
Net Operating Income	2,271,380	1,267,804	1,003,576	4,197,203	4,010,508	186,695	1,925,822
Extraordinary Expenses							
Interest	171,470	42,117	(129,353)	84,233	84,233	0	(87,237)
Facility Improvements	379,210	925,017	545,807	1,850,034	1,850,034	0	1,470,824
Total Extraordinary Expenses	550,680	967,134	416,454	1,934,267	1,934,268	1	1,383,587
Total Expenses	6,882,678	8,778,105	1,895,427	17,133,596	17,556,210	422,614 ②	10,250,919
Net Income	1,720,701	300,670	1,420,030	2,262,936	2,076,240	186,695 ③	542,235
Cash Flow Adjustments	64,862	-	64,862	12,065	-	12,065	(52,796)
Change in Cash	1,785,562	300,670	1,484,892	2,275,001	2,076,240	198,761 ⑤	489,439

① **REVENUE: \$236K BEHIND**
Reduced revenue due to lower enrollment and attendance

② **EXPENSES: \$423K AHEAD**
Salaries/benefits from unfilled positions

③ **NET INCOME: \$187K ahead**

④ **CASH ADJ: \$12K AHEAD**

⑤ **NET CHANGE IN CASH: \$199K AHEAD**

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	125,697	132,468	122,039	125,263	116,361	116,361	116,361	116,361	116,361	116,361	1,507,981
State Revenue	652,434	768,164	702,991	1,594,362	786,116	630,606	874,876	874,876	874,876	874,876	874,876	874,876	10,383,928
Federal Revenue	76,426	9,573	0	467,609	1,431,274	54,903	750,620	750,620	750,620	750,620	750,620	750,620	6,543,506
Private Grants and Donations	1,000	40,700	314,000	0	0	0	33,633	33,633	33,633	33,633	33,633	33,633	557,500
Earned Fees	95,176	0	168,230	0	0	0	23,368	23,368	23,368	23,368	23,368	23,368	403,617
Total Revenue	984,485	963,335	1,310,918	2,194,440	2,339,429	810,772	1,798,859	1,798,859	1,798,859	1,798,859	1,798,859	1,798,859	19,396,532
Expenses													
Salaries	538,677	442,981	479,855	468,479	528,616	598,260	568,542	568,542	594,030	578,292	591,692	679,392	6,637,358
Benefits and Taxes	139,145	131,021	127,291	134,063	136,996	137,468	181,455	181,455	183,404	182,200	183,226	189,935	1,907,658
Staff-Related Costs	6,252	14,263	11,701	17,932	22,305	2,489	25,682	25,682	25,682	25,682	25,682	25,682	229,037
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	200,002
Occupancy Service	81,274	73,148	92,261	99,684	125,521	121,684	102,442	102,442	102,442	102,442	102,442	102,442	1,208,223
Student Expense, Direct	58,017	220,061	38,835	55,145	79,054	74,565	216,732	216,732	216,732	216,732	216,732	216,732	1,826,069
Student Expense, Food	226,775	0	30,401	0	82,569	42,085	118,528	118,528	118,528	118,528	118,528	118,528	1,092,995
Office & Business Expense	60,090	63,614	64,370	88,149	47,495	53,370	129,890	129,890	129,890	129,890	129,890	129,890	1,156,428
Transportation	3,325	5,136	8,353	138,316	99,196	161,709	87,587	87,587	87,587	87,587	87,587	87,587	941,560
Total Ordinary Expenses	1,130,222	966,890	869,735	1,018,436	1,138,419	1,208,297	1,447,525	1,447,525	1,474,962	1,458,020	1,472,445	1,566,855	15,199,329
Operating Income	-145,737	-3,555	441,183	1,176,004	1,201,010	-397,526	351,334	351,334	323,897	340,839	326,413	232,004	4,197,203
Extraordinary Expenses													
Interest	7,019	7,019	7,019	136,372	7,019	7,019	-14,539	-14,539	-14,539	-14,539	-14,539	-14,539	84,233
Facility Improvements	281,250	28,750	0	69,210	0	0	245,137	245,137	245,137	245,137	245,137	245,137	1,850,034
Total Extraordinary Expenses	288,269	35,769	7,019	205,582	7,019	7,019	230,598	230,598	230,598	230,598	230,598	230,598	1,934,267
Total Expenses	1,418,491	1,002,659	876,754	1,224,018	1,145,438	1,215,317	1,678,122	1,678,122	1,705,560	1,688,618	1,703,043	1,797,452	17,133,596
Net Income	-434,006	-39,324	434,164	970,422	1,193,991	-404,545	120,737	120,737	93,299	110,241	95,816	1,407	2,262,936
Cash Flow Adjustments	2,750	3,124	94	-6,089	13,079	51,905	-8,799	-8,799	-8,799	-8,799	-8,799	-8,799	12,065
Change in Cash	-431,257	-36,201	434,258	964,333	1,207,069	-352,640	111,937	111,937	84,500	101,441	87,016	-7,393	2,275,001

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>12/31/2022</i>	<i>6/30/2023</i>
Assets			
Current Assets			
Cash	9,527,639	11,313,201	11,802,640
Total Current Assets	9,527,639	11,313,201	11,802,640
Total Assets	9,527,639	11,313,201	11,802,640
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-71,951	-7,089	-59,886
Total Current Liabilities	-71,951	-7,089	-59,886
Total Long-Term Liabilities	0	0	
Total Liabilities	-71,951	-7,089	
Equity			
Unrestricted Net Assets	9,599,590	9,599,590	9,599,590
Net Income	0	1,720,701	2,262,936
Total Equity	9,599,590	11,320,290	11,862,525