

**HOGAN**  
PREP ACADEMY



# May 2023 Financials

PREPARED JUN'23 BY



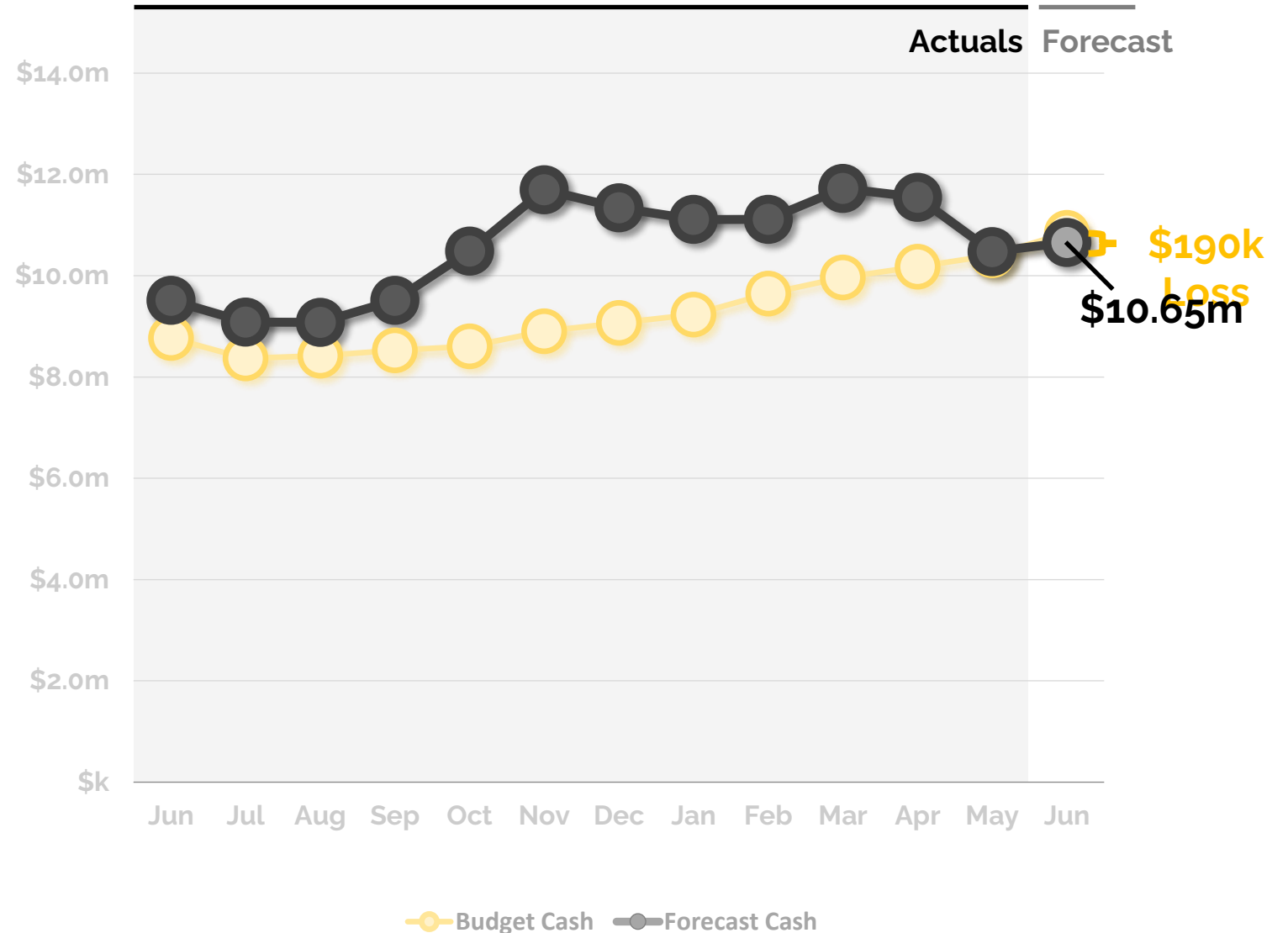
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- Hogan ends May, 2023 with a projected YE Cash balance of \$10.65M and 236 Days of Cash. This is a significant decrease from April results which showed a \$11.93M YE Cash balance and 287 Days of Cash. This is driven by expenses not budgeted, including:
  - \$403,664.42 in staff contract severance payouts.
  - \$403,949.00 in fee payments to Entrepreneurial Ventures in Education, Inc. (Phalen)
- ESSER III revenue for FY23 will likely come in \$1.2M lower than anticipated. This is due to the number of unfilled positions HPA has maintained throughout the year. As a result, these positions could not be claimed and reimbursed under ESSER III. Fortunately, these funds will carryover to FY24 to be used.
- The full year expense forecast has been updated to align with expectations for year end, resulting in a \$365K reduction.

## 236 Days of Cash at year's end

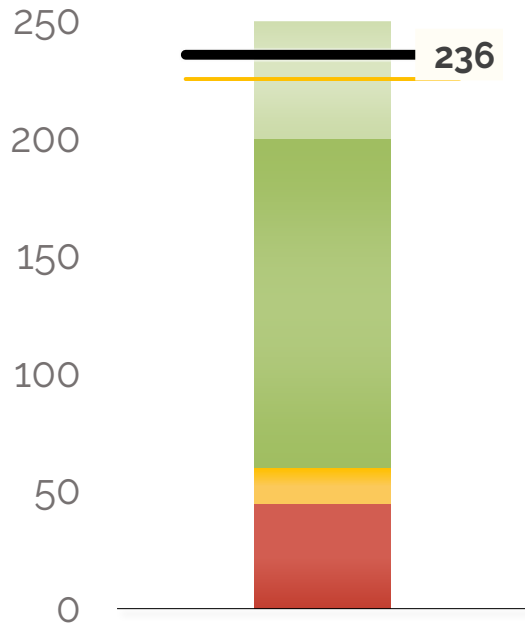
We forecast the school's year ending cash balance as **\$11m**, **\$190k** below budget.

The decrease in Hogan's YE cash projection and Days of Cash is tied to unbudgeted expenses, including staff contract payouts and Phalen management fees.



## Days of Cash

Cash balance at year-end divided by average daily expenses

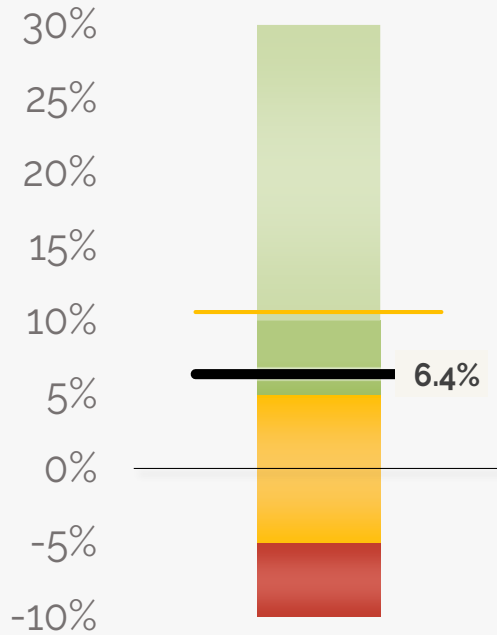


### 236 DAYS OF CASH AT YEAR'S END

The school will end the year with 236 days of cash. This is above the recommended 60 days

## Gross Margin

Revenue less expenses, divided by revenue

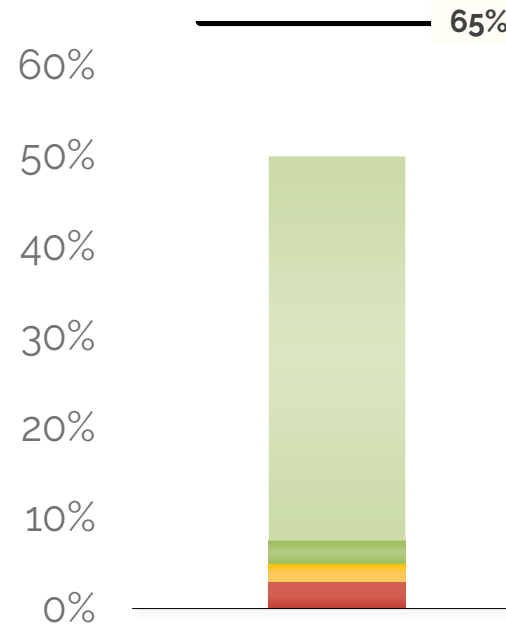


### 6.4% GROSS MARGIN

The forecasted net income is \$1.1m, which is \$951k below the budget. It yields a 6.4% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses



### 64.95% AT YEAR'S END

The school is projected to end the year with a fund balance of \$10,712,221. Last year's fund balance was \$9,586,948.

# Forecast Overview



	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$17.6m	\$19.6m	-\$2m		We are being paid on a prior year WADA due to enrollment & attendance numbers which are dramatically lower than budgeted; ESSER III reimbursements of \$1.2M will not occur due to unfilled staffing positions.
Expenses	\$16.5m	\$17.6m	\$1.1m		Unbudgeted expenses, including \$808,000 in payouts for staff contract severance and Phalen management fees.
<b>Net Income</b>	<b>\$1.1m</b>	<b>\$2.1m</b>	<b>-\$951k</b>		
Cash Flow Adjustments	\$14k	0	\$14k		
<b>Change in Cash</b>	<b>\$1.1m</b>	<b>\$2.1m</b>	<b>-\$937k</b>		

	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
<b>Revenue</b>							
Local Revenue	1,450,257	1,357,472	92,786	1,560,257	1,491,727	68,530	110,000
State Revenue	9,326,788	9,376,634	(49,847)	10,173,889	10,407,630	(233,740)	847,102
Federal Revenue	3,498,576	5,572,450	(2,073,874)	4,966,528	6,202,728	(1,236,199)	1,467,953
Private Grants and Donations	450,269	543,563	(93,294)	500,269	557,500	(57,231)	50,000
Earned Fees	349,676	875,579	(525,904)	417,967	972,866	(554,899)	68,291
<b>Total Revenue</b>	<b>15,075,565</b>	<b>17,725,697</b>	<b>(2,650,132)</b>	<b>17,618,911</b>	<b>19,632,450</b>	<b>(2,013,540)</b> ①	<b>2,543,345</b>
<b>Expenses</b>							
Salaries	5,658,504	6,531,478	872,974	5,866,411	7,125,248	1,258,837	207,908
Benefits and Taxes	1,476,140	1,860,506	384,366	1,727,549	2,029,643	302,094	251,409
Staff-Related Costs	152,979	208,886	55,907	160,873	227,875	67,002	7,895
Rent	183,333	137,500	(45,833)	200,000	150,000	(50,000)	16,667
Occupancy Service	1,215,057	997,061	(217,996)	1,293,269	1,087,703	(205,566)	78,212
Student Expense, Direct	1,433,779	1,673,896	240,118	1,522,700	1,826,069	303,369	88,921
Student Expense, Food	614,241	1,001,912	387,671	660,724	1,092,995	432,272	46,482
Office & Business Expense	1,180,041	1,045,778	(134,263)	1,258,216	1,140,849	(117,367)	78,175
Transportation	786,221	863,097	76,875	918,862	941,560	22,698	132,641
Total Ordinary Expenses	12,700,295	14,320,114	1,619,819	13,608,604	15,621,943	2,013,338	908,310
Net Operating Income	2,375,271	3,405,583	(1,030,313)	4,010,306	4,010,508	(201)	1,635,036
<b>Extraordinary Expenses</b>							
Interest	1,027,773	77,214	(950,559)	1,035,000	84,233	(950,767)	7,227
Facility Improvements	451,468	1,695,865	1,244,397	1,850,034	1,850,034	0	1,398,567
Total Extraordinary Expenses	1,479,240	1,773,079	293,838	2,885,034	1,934,268	(950,767)	1,405,794
<b>Total Expenses</b>	<b>14,179,535</b>	<b>16,093,193</b>	<b>1,913,658</b>	<b>16,493,638</b>	<b>17,556,210</b>	<b>1,062,572</b> ②	<b>2,314,103</b>
<b>Net Income</b>	<b>896,030</b>	<b>1,632,505</b>	<b>(736,475)</b>	<b>1,125,272</b>	<b>2,076,240</b>	<b>(950,968)</b> ③	<b>229,242</b>
Cash Flow Adjustments	62,526	-	62,526	14,139	-	14,139	(48,387)
<b>Change in Cash</b>	<b>958,556</b>	<b>1,632,505</b>	<b>(673,948)</b>	<b>1,139,411</b>	<b>2,076,240</b>	<b>(936,829)</b> ⑤	<b>180,855</b>

## ① REVENUE: \$2M BEHIND

KCPS MOU removed; adjustments to basic formula for funding equity & hold harmless; ESSER III reimbursements running behind.

## ② EXPENSES: \$1.1M AHEAD

Unfilled staff positions and associated benefits

## ③ NET INCOME: \$951K behind

Due largely to staff contract payouts & Phalen expenses

## ④ CASH ADJ: \$14K AHEAD

## ⑤ NET CHANGE IN CASH: \$937K BEHIND

# Monthly Financials

Income Statement	Actual											Forecast	
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
<b>Revenue</b>													
Local Revenue	159,450	144,898	125,697	132,468	122,039	125,263	135,041	161,692	99,874	121,946	121,890	110,000	1,560,257
State Revenue	652,434	768,164	702,991	1,594,362	786,116	630,606	1,044,735	609,658	846,373	846,373	844,975	847,102	10,173,889
Federal Revenue	76,426	9,573	0	467,609	1,431,274	54,903	56,034	79,725	1,189,683	45,528	87,821	1,467,953	4,966,528
Private Grants and Donations	1,000	40,700	314,000	1,000	1,500	3,530	5,939	54,000	100	0	28,500	50,000	500,269
Earned Fees	95,428	30,018	168,852	4,997	1,741	4,523	10,656	9,096	4,021	37,951	-17,607	68,291	417,967
<b>Total Revenue</b>	<b>984,737</b>	<b>993,353</b>	<b>1,311,540</b>	<b>2,200,437</b>	<b>2,342,670</b>	<b>818,824</b>	<b>1,252,405</b>	<b>914,172</b>	<b>2,140,051</b>	<b>1,051,798</b>	<b>1,065,578</b>	<b>2,543,345</b>	<b>17,618,911</b>
<b>Expenses</b>													
Salaries	538,677	442,981	479,855	468,479	528,616	598,260	468,720	422,909	443,299	440,242	826,465	207,908	5,866,411
Benefits and Taxes	139,145	131,021	127,291	134,063	136,996	137,468	138,405	123,215	129,685	128,674	150,177	251,409	1,727,549
Staff-Related Costs	6,252	14,263	11,701	17,932	22,305	6,216	26,114	8,146	17,345	5,734	16,970	7,895	160,873
Rent	16,667	16,667	16,667	16,667	16,667	16,667	0	33,333	16,667	16,667	16,667	16,667	200,000
Occupancy Service	81,274	73,148	92,261	99,684	125,349	122,234	92,584	113,471	143,777	114,175	157,099	78,212	1,293,269
Student Expense, Direct	58,017	220,061	38,835	55,145	79,158	76,968	139,889	73,982	84,420	287,942	319,362	88,921	1,522,700
Student Expense, Food	226,775	0	30,401	0	82,569	42,085	39,759	48,596	41,445	46,379	56,233	46,482	660,724
Office & Business Expense	60,090	65,864	64,370	88,349	47,495	56,727	110,286	51,775	81,184	69,189	484,710	78,175	1,258,216
Transportation	3,325	5,136	8,353	138,316	99,196	161,709	38,171	15,915	120,612	87,387	108,100	132,641	918,862
Total Ordinary Expenses	1,130,222	969,140	869,735	1,018,636	1,138,351	1,218,334	1,053,928	891,343	1,078,435	1,196,389	2,135,782	908,310	13,608,604
Operating Income	-145,485	24,213	441,805	1,181,802	1,204,319	-399,510	198,477	22,829	1,061,616	-144,591	-1,070,204	1,635,036	4,010,306
<b>Extraordinary Expenses</b>													
Interest	7,019	7,019	7,019	136,372	7,019	7,019	417,622	7,019	417,622	7,019	7,019	7,227	1,035,000
Facility Improvements	281,250	28,750	0	69,210	0	0	0	17,180	37,250	13,913	3,915	1,398,567	1,850,034
Total Extraordinary Expenses	288,269	35,769	7,019	205,582	7,019	7,019	417,622	24,199	454,872	20,932	10,934	1,405,794	2,885,034
<b>Total Expenses</b>	<b>1,418,491</b>	<b>1,004,909</b>	<b>876,754</b>	<b>1,224,218</b>	<b>1,145,370</b>	<b>1,225,354</b>	<b>1,471,551</b>	<b>915,543</b>	<b>1,533,307</b>	<b>1,217,321</b>	<b>2,146,717</b>	<b>2,314,103</b>	<b>16,493,638</b>
<b>Net Income</b>	<b>-433,754</b>	<b>-11,556</b>	<b>434,786</b>	<b>976,219</b>	<b>1,197,300</b>	<b>-406,529</b>	<b>-219,145</b>	<b>-1,371</b>	<b>606,744</b>	<b>-165,523</b>	<b>-1,081,139</b>	<b>229,242</b>	<b>1,125,272</b>
Cash Flow Adjustments	2,750	5,162	94	-3,325	13,079	51,905	-9,950	2,893	1,082	-6,388	5,225	-48,387	14,139
<b>Change in Cash</b>	<b>-431,005</b>	<b>-6,394</b>	<b>434,880</b>	<b>972,895</b>	<b>1,210,378</b>	<b>-354,624</b>	<b>-229,096</b>	<b>1,522</b>	<b>607,826</b>	<b>-171,912</b>	<b>-1,075,914</b>	<b>180,855</b>	<b>1,139,411</b>



	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>5/31/2023</i>	<i>6/30/2023</i>
<b>Assets</b>			
Current Assets			
Cash	9,514,997	10,473,554	10,654,408
Total Current Assets	9,514,997	10,473,554	10,654,408
<b>Total Assets</b>	<b>9,514,997</b>	<b>10,473,554</b>	<b>10,654,408</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	-71,951	-9,425	-57,812
Total Current Liabilities	-71,951	-9,425	-57,812
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>-71,951</b>	<b>-9,425</b>	
<b>Equity</b>			
Unrestricted Net Assets	9,586,948	9,586,948	9,586,948
Net Income	0	896,030	1,125,272
<b>Total Equity</b>	<b>9,586,948</b>	<b>10,482,979</b>	<b>10,712,221</b>