

HOGAN
PREP ACADEMY



September 2023 Financials

PREPARED OCT'23 BY



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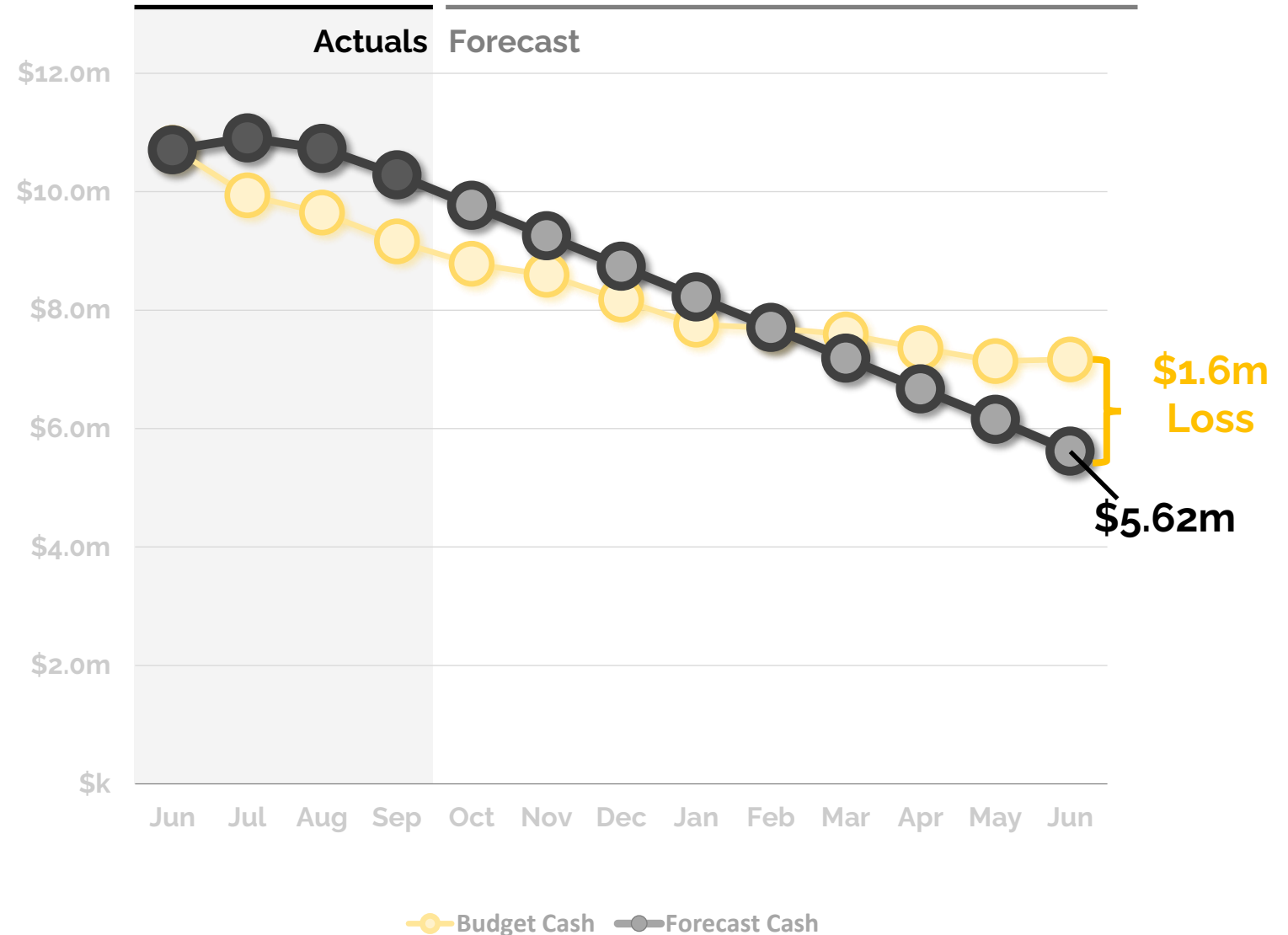
- As of 9/30/23, HPA's financial outlook for year end is \$5.6M in cash, \$1.6M below the original budget.
 - The revenue impact is due to lower-than-expected enrollment and attendance. At the end of the first quarter, Hogan's enrollment was 921 students vs. a budget of 1,192 students. Attendance for the same time period was 81.08% vs. a budget of 85%.
 - Hogan continues to enroll students and is also working to address attendance. The school's transportation provider has been struggling which has really impacted the attendance percentage.
- Over the next 30 days, the PLA/HPA/EdOps team is reviewing the expense portion of the budget to find ways to return funds to the bottom line, offsetting at least a portion of this deficit.

98 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$5.6m**, **\$1.6m** below budget.

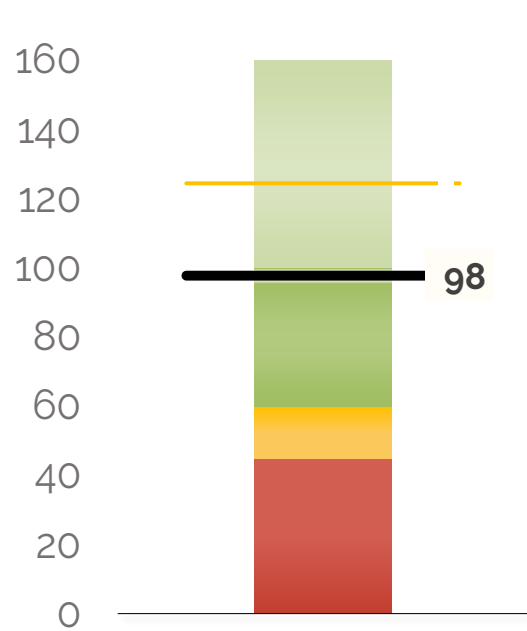
This change is directly tied to lower-than-expected enrollment and attendance.

The deficit will come directly out of the school's cash reserves, impacting future capital plans.



Days of Cash

Cash balance at year-end divided by average daily expenses

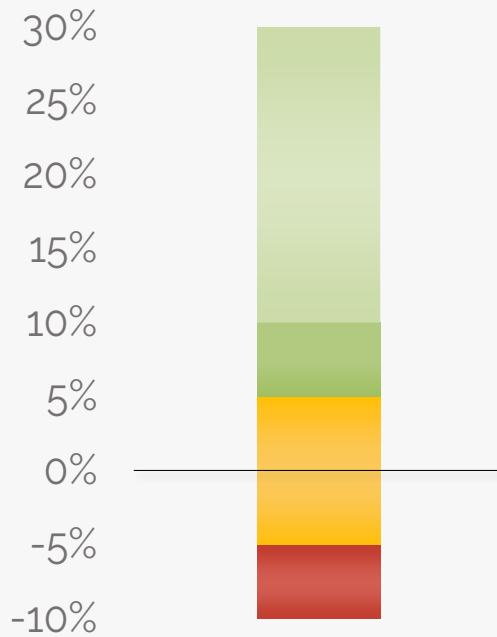


98 DAYS OF CASH AT YEAR'S END

The school will end the year with 98 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

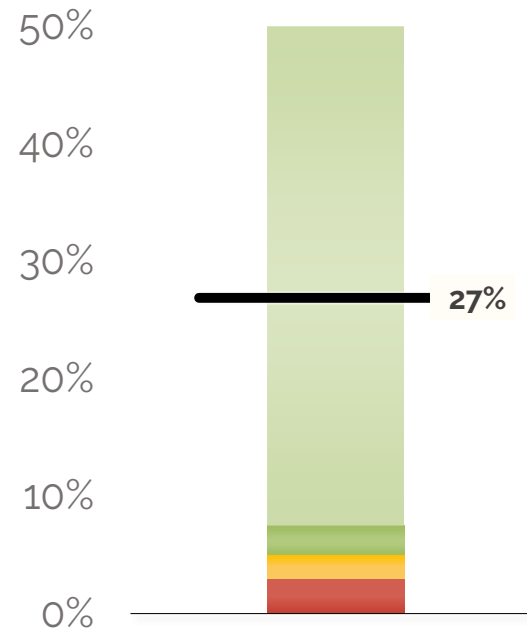


-32.1% GROSS MARGIN

The forecasted net income is -\$5.1m, which is \$1.5m below the budget. It yields a -32.1% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

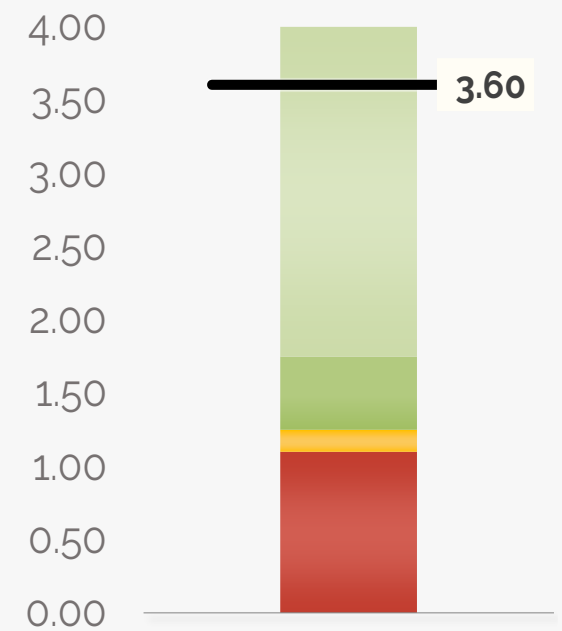


26.88% AT YEAR'S END

The school is projected to end the year with a fund balance of \$5,636,160. Last year's fund balance was \$10,725,056.

DSCR

Amount of cash flow available to meet annual interest and principal payments on debt



DSCR IS 3.6

Debt Service Coverage Ratio is defined by the school's bank covenants.

Forecast Overview



	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$15.9m	\$17.4m	-\$1.6m	-1.6m	Enrollment is 22.7% lower than budgeted and attendance is at 81% vs. the budgeted 85%
Expenses	\$21m	\$21m	\$52k	+52k	Because of the enrollment shortfall, particular attention is being paid to spending. We are showing a small savings through the first quarter of the fiscal year.
Net Income	-\$5.1m	-\$3.6m	-\$1.5m	-1.5m	
Cash Flow Adjustments	-0	0	-0	-0k	
Change in Cash	-\$5.1m	-\$3.6m	-\$1.5m	-1.5m	

	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	369,541	303,155	66,386	1,223,355	1,212,621	10,735	853,814
State Revenue	2,723,953	2,788,380	(64,426)	10,953,358	12,532,413	(1,579,055)	8,229,405
Federal Revenue	61,102	535,107	(474,005)	3,218,230	3,218,230	(0)	3,157,127
Private Grants and Donations	-	15,000	(15,000)	150,000	150,000	(0)	150,000
Earned Fees	-	33,263	(33,263)	332,630	332,630	0	332,630
Total Revenue	3,154,596	3,674,905	(520,309)	15,877,573	17,445,894	(1,568,321)	12,722,977
Expenses							
Salaries	1,575,653	1,580,163	4,510	6,375,916	6,320,652	(55,264)	4,800,262
Benefits and Taxes	397,271	461,018	63,747	1,717,869	1,844,073	126,204	1,320,598
Staff-Related Costs	11,309	23,719	12,410	95,875	94,875	(1,000)	84,566
Rent	-	8,333	8,333	33,334	33,334	(0)	33,334
Occupancy Service	393,994	317,681	(76,313)	1,270,722	1,270,722	(0)	876,729
Student Expense, Direct	328,384	415,692	87,307	1,667,531	1,662,767	(4,764)	1,339,147
Student Expense, Food	863	277,703	276,840	1,111,673	1,110,810	(863)	1,110,810
Office & Business Expense	814,720	1,038,223	223,503	4,164,897	4,152,892	(12,005)	3,350,176
Transportation	18,693	237,816	219,123	951,265	951,265	0	932,572
Total Ordinary Expenses	3,540,887	4,360,348	819,460	17,389,081	17,441,391	52,309	13,848,194
Interest	21,058	21,058	-	84,233	84,233	(0)	63,175
Facility Improvements	1,910	873,289	871,379	3,493,154	3,493,154	0	3,491,244
Total Extraordinary Expenses	22,968	894,347	871,379	3,577,387	3,577,387	0	3,554,419
Total Expenses	3,563,856	5,254,695	1,690,839	20,966,469	21,018,778	52,309	17,402,613
Net Income	(409,259)	(1,579,789)	1,170,530	(5,088,896)	(3,572,884)	(1,516,011)	(4,679,636)
Cash Flow Adjustments	(11,951)	-	(11,951)	(0)	-	(0)	11,951
Change in Cash	(421,210)	(1,579,789)	1,158,579	(5,088,896)	(3,572,884)	(1,516,011)	(4,667,685)

① REVENUE: \$1.6M BEHIND

Lower enrollment and attendance

② EXPENSES: \$52K AHEAD

Focus on cost cutting where possible through the first quarter

③ NET INCOME: \$1.5M behind

④ CASH ADJ: \$0K BEHIND

⑤ NET CHANGE IN CASH: \$1.5M BEHIND

Monthly Financials

Income Statement	Actual			Forecast									TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Revenue													
Local Revenue	214,626	41,800	113,114	94,868	94,868	94,868	94,868	94,868	94,868	94,868	94,868	94,868	1,223,355
State Revenue	923,510	892,452	907,991	914,378	914,378	914,378	914,378	914,378	914,378	914,378	914,378	914,378	10,953,358
Federal Revenue	16,099	16,858	28,145	350,792	350,792	350,792	350,792	350,792	350,792	350,792	350,792	350,792	3,218,230
Private Grants and Donations	0	0	0	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	150,000
Earned Fees	0	0	0	36,959	36,959	36,959	36,959	36,959	36,959	36,959	36,959	36,959	332,630
Total Revenue	1,154,235	951,111	1,049,250	1,413,664	1,413,664	1,413,664	1,413,664	1,413,664	1,413,664	1,413,664	1,413,664	1,413,664	15,877,573
Expenses													
Salaries	389,577	487,543	698,533	531,407	531,407	531,407	531,407	531,407	531,407	531,407	531,407	549,007	6,375,916
Benefits and Taxes	114,968	140,507	141,796	144,628	144,628	144,628	147,492	147,492	147,492	147,492	147,492	149,255	1,717,869
Staff-Related Costs	4,718	6,500	91	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	95,875
Rent	0	0	0	3,704	3,704	3,704	3,704	3,704	3,704	3,704	3,704	3,704	33,334
Occupancy Service	139,443	151,650	102,901	97,414	97,414	97,414	97,414	97,414	97,414	97,414	97,414	97,414	1,270,722
Student Expense, Direct	84,740	109,015	134,629	148,794	148,794	148,794	148,794	148,794	148,794	148,794	148,794	148,794	1,667,531
Student Expense, Food	863	0	0	123,423	123,423	123,423	123,423	123,423	123,423	123,423	123,423	123,423	1,111,673
Office & Business Expense	207,008	231,366	376,346	372,242	372,242	372,242	372,242	372,242	372,242	372,242	372,242	372,242	4,164,897
Transportation	4,265	1,500	12,928	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	951,265
Total Ordinary Expenses	945,582	1,128,081	1,467,224	1,534,627	1,534,627	1,534,627	1,537,491	1,537,491	1,537,491	1,537,491	1,537,491	1,556,855	17,389,081
Operating Income	208,653	-176,970	-417,974	-120,963	-120,963	-120,963	-123,827	-123,827	-123,827	-123,827	-123,827	-143,190	-1,511,508
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	0	560	1,350	387,916	387,916	387,916	387,916	387,916	387,916	387,916	387,916	387,916	3,493,154
Total Extraordinary Expenses	7,019	7,579	8,369	394,935	394,935	394,935	394,935	394,935	394,935	394,935	394,935	394,935	3,577,387
Total Expenses	952,601	1,135,660	1,475,594	1,929,563	1,929,563	1,929,563	1,932,427	1,932,427	1,932,427	1,932,427	1,932,427	1,951,790	20,966,469
Net Income	201,634	-184,549	-426,344	-515,899	-515,899	-515,899	-518,763	-518,763	-518,763	-518,763	-518,763	-538,126	-5,088,896
Cash Flow Adjustments	-1,845	9,359	-19,466	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	0
Change in Cash	199,789	-175,190	-445,809	-514,571	-514,571	-514,571	-517,435	-517,435	-517,435	-517,435	-517,435	-536,798	-5,088,896
Ending Cash	10,906,997	10,731,807	10,285,998	9,771,427	9,256,856	8,742,285	8,224,850	7,707,415	7,189,980	6,672,545	6,155,111	5,618,313	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
Assets			
Current Assets			
Cash	10,707,208	10,285,998	5,618,313
Total Current Assets	10,707,208	10,285,998	5,618,313
Total Assets	10,707,208	10,285,998	5,618,313
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-17,847	-29,799	-17,847
Total Current Liabilities	-17,847	-29,799	-17,847
Total Long-Term Liabilities	0	0	
Total Liabilities	-17,847	-29,799	-17,847
Equity			
Unrestricted Net Assets	10,725,056	10,725,056	10,725,056
Net Income	0	-409,259	-5,088,896
Total Equity	10,725,056	10,315,796	5,636,160
Total Liabilities and Equity	10,707,208	10,285,998	5,618,313



QUESTIONS?

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