

HOGAN
PREP ACADEMY



November 2023 Financials

PREPARED DEC'23 BY



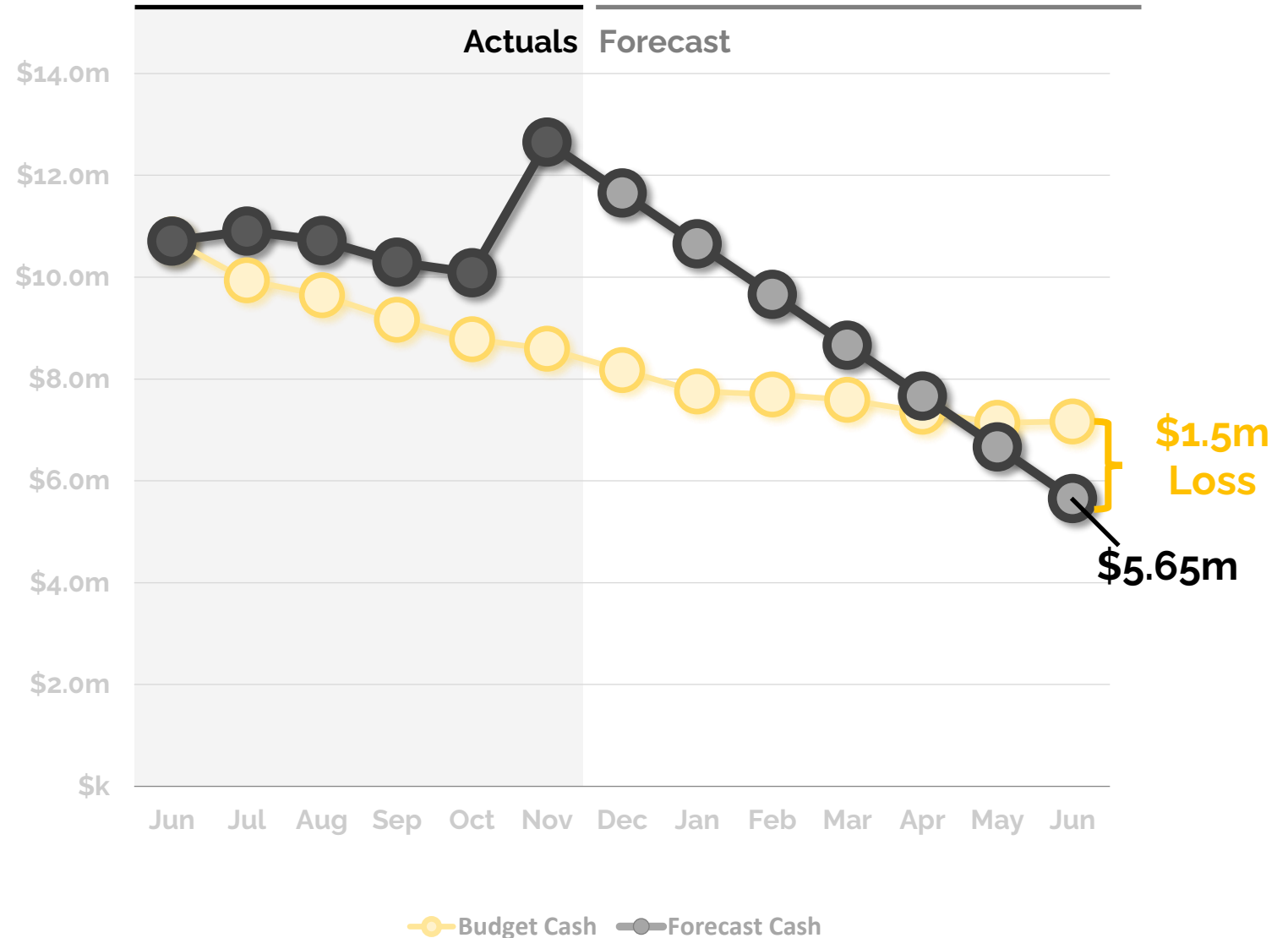
- **Executive Summary**
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- HPA ends November 2023 with a projection of \$5.65M in cash, \$1.5M below the original budget which already had a deficit balance. For the year, we will see a total drop in the school's cash balance of just over \$5M.
 - Revenue has been impacted by lower-than-expected enrollment (917 students vs. 1192 budgeted) and attendance (79% actual vs. 85% budgeted). DESE allows us to use prior year WADA to help us compensate for this shortfall, but it is not helping us make up the entire difference.
 - Expenses continue to run slightly under budget, helping to offset a bit of the deficit we are experiencing.
 - Net Income – the full year Net Income is (\$5,053,121). This deficit will come out of the school's cash 'savings', directly impacting our ability to finish the capital project and potentially jeopardizing repayment of debt.

99 Days of Cash at year's end

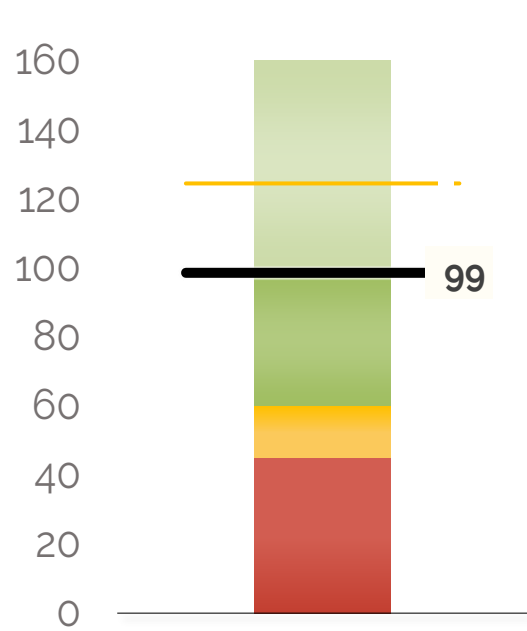
We forecast the school's year ending cash balance as **\$5.7m**, **\$1.5m** below budget.

Primarily due to lower-than-expected enrollment (917 vs. 1192) and lower than budgeted attendance (79% actual vs. 85% budgeted)



Days of Cash

Cash balance at year-end divided by average daily expenses

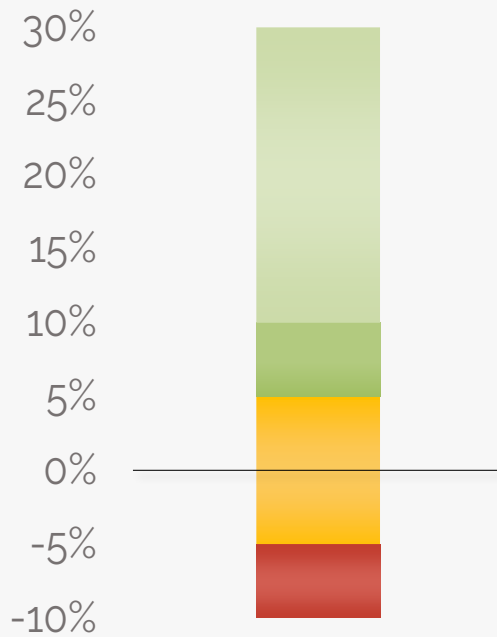


99 DAYS OF CASH AT YEAR'S END

The school will end the year with 99 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

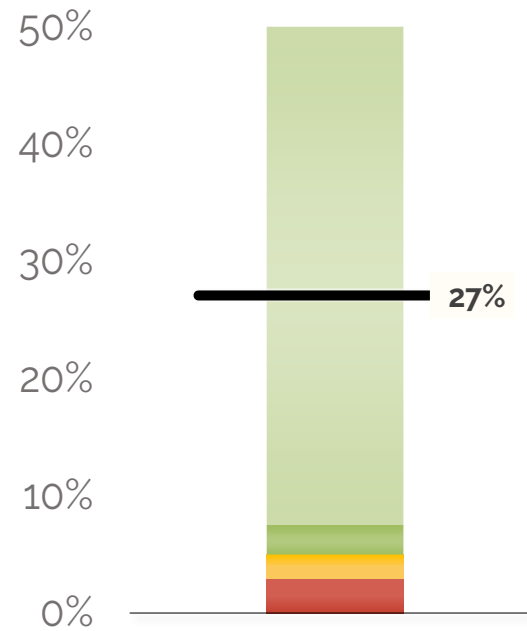


-31.8% GROSS MARGIN

The forecasted net income is -\$5.1m, which is \$1.5m below the budget. It yields a -31.8% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

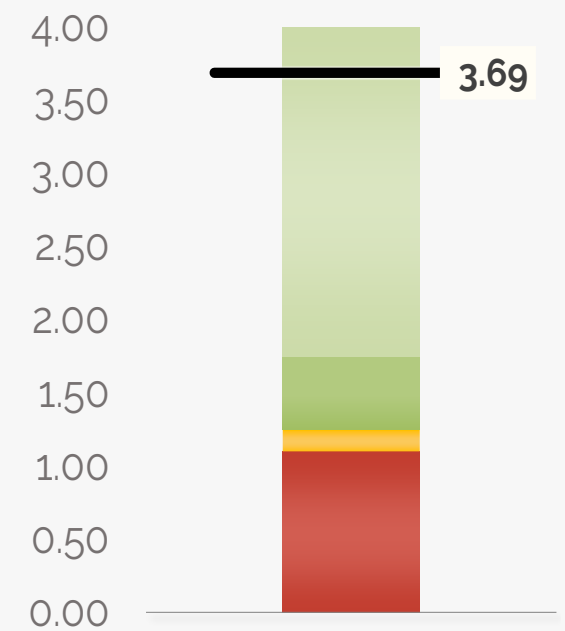


27.09% AT YEAR'S END

The school is projected to end the year with a fund balance of \$5,671,935. 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 3.69

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	As noted, driven by lower than budgeted enrollment and attendance.
Expenses	\$20.9m	\$21m	\$78k	+78k	Expenses are running under budget by \$78,000 as of 10/31/23.
Net Income	-\$5.1m	-\$3.6m	-\$1.5m	-1.5m	Currently we project to end the year with a \$1.5M deficit in Net Income.
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	611,281	521,427	89,854	1,230,327	1,212,621	17,706	619,046
State Revenue	7,181,592	4,800,510	2,381,082	10,915,016	12,532,413	(1,617,397)	3,733,424
Federal Revenue	363,267	1,162,276	(799,009)	3,254,719	3,218,230	36,489	2,891,452
Private Grants and Donations	-	30,000	(30,000)	150,000	150,000	0	150,000
Earned Fees	58,961	99,789	(40,828)	337,777	332,630	5,147	278,816
Total Revenue	8,215,101	6,614,001	1,601,100	15,887,839	17,445,894	(1,558,055) ①	7,672,737
Expenses							
Salaries	2,619,483	2,633,605	14,122	6,291,405	6,320,652	29,247	3,671,923
Benefits and Taxes	682,298	768,364	86,065	1,723,197	1,844,073	120,877	1,040,898
Staff-Related Costs	20,528	39,531	19,003	95,875	94,875	(1,000)	75,347
Rent	-	13,889	13,889	33,334	33,334	(0)	33,334
Occupancy Service	697,903	529,468	(168,435)	1,270,722	1,270,722	(0)	572,820
Student Expense, Direct	509,957	692,820	182,863	1,674,301	1,662,767	(11,534)	1,164,345
Student Expense, Food	106,569	462,838	356,269	1,110,810	1,110,810	(0)	1,004,241
Office & Business Expense	1,172,168	1,730,372	558,204	4,181,524	4,152,892	(28,632)	3,009,357
Transportation	159,883	396,360	236,477	982,404	951,265	(31,139)	822,521
Total Ordinary Expenses	5,968,788	7,267,246	1,298,459	17,363,573	17,441,391	77,818	11,394,785
Interest	259,937	35,097	(224,839)	983,589	84,233	(899,356)	723,653
Facility Improvements	37,773	1,455,481	1,417,708	2,593,798	3,493,154	899,356	2,556,025
Total Extraordinary Expenses	297,710	1,490,578	1,192,868	3,577,387	3,577,387	0	3,279,678
Total Expenses	6,266,497	8,757,824	2,491,327	20,940,960	21,018,778	77,818 ②	14,674,463
Net Income	1,948,604	(2,143,823)	4,092,427	(5,053,121)	(3,572,884)	(1,480,237) ③	(7,001,725)
Cash Flow Adjustments	(4,922)	-	(4,922)	(0)	-	(0) ④	4,922
Change in Cash	1,943,683	(2,143,823)	4,087,505	(5,053,121)	(3,572,884)	(1,480,237) ⑤	(6,996,804)

① **REVENUE: \$1.6M BEHIND**
Due to lower than budgeted enrollment & attendance

② **EXPENSES: \$78K AHEAD**

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	112,607	129,133	88,435	88,435	88,435	88,435	88,435	88,435	88,435	1,230,327
State Revenue	923,510	892,452	907,991	914,386	3,543,253	533,346	533,346	533,346	533,346	533,346	533,346	533,346	10,915,016
Federal Revenue	16,099	16,858	28,145	0	302,165	413,065	413,065	413,065	413,065	413,065	413,065	413,065	3,254,719
Private Grants and Donations	0	0	0	0	0	21,429	21,429	21,429	21,429	21,429	21,429	21,429	150,000
Earned Fees	0	0	0	5,147	53,814	39,831	39,831	39,831	39,831	39,831	39,831	39,831	337,777
Total Revenue	1,154,235	951,111	1,049,250	1,032,139	4,028,366	1,096,105	1,096,105	1,096,105	1,096,105	1,096,105	1,096,105	1,096,105	15,887,839
Expenses													
Salaries	389,577	487,543	698,533	506,162	537,667	522,046	522,046	522,046	522,046	522,046	522,046	539,646	6,291,405
Benefits and Taxes	114,968	140,507	141,796	140,119	144,908	148,227	148,485	148,485	148,485	148,485	148,485	150,248	1,723,197
Staff-Related Costs	4,718	6,500	216	932	8,162	10,764	10,764	10,764	10,764	10,764	10,764	10,764	95,875
Rent	0	0	0	0	0	4,762	4,762	4,762	4,762	4,762	4,762	4,762	33,334
Occupancy Service	139,943	151,650	102,901	173,939	129,470	81,831	81,831	81,831	81,831	81,831	81,831	81,831	1,270,722
Student Expense, Direct	84,740	109,015	109,531	122,714	83,957	166,335	166,335	166,335	166,335	166,335	166,335	166,335	1,674,301
Student Expense, Food	863	0	0	29,194	76,512	143,463	143,463	143,463	143,463	143,463	143,463	143,463	1,110,810
Office & Business Expense	209,705	238,317	384,892	237,190	102,064	429,908	429,908	429,908	429,908	429,908	429,908	429,908	4,181,524
Transportation	4,265	1,500	12,928	31,376	109,814	117,503	117,503	117,503	117,503	117,503	117,503	117,503	982,404
Total Ordinary Expenses	948,778	1,135,032	1,450,798	1,241,625	1,192,554	1,624,839	1,625,097	1,625,097	1,625,097	1,625,097	1,625,097	1,644,460	17,363,573
Operating Income	205,457	-183,921	-401,548	-209,486	2,835,812	-528,734	-528,992	-528,992	-528,992	-528,992	-528,992	-548,355	-1,475,734
Extraordinary Expenses													
Interest	7,019	7,019	7,019	7,019	231,859	103,379	103,379	103,379	103,379	103,379	103,379	103,379	983,589
Facility Improvements	0	560	1,350	6,663	29,200	365,146	365,146	365,146	365,146	365,146	365,146	365,146	2,593,798
Total Extraordinary Expenses	7,019	7,579	8,369	13,682	261,059	468,525	468,525	468,525	468,525	468,525	468,525	468,525	3,577,387
Total Expenses	955,798	1,142,611	1,459,167	1,255,308	1,453,613	2,093,364	2,093,623	2,093,623	2,093,623	2,093,623	2,093,623	2,112,986	20,940,960
Net Income	198,437	-191,500	-409,917	-223,168	2,574,753	-997,259	-997,517	-997,517	-997,517	-997,517	-997,517	-1,016,880	-5,053,121
Cash Flow Adjustments	-1,845	9,359	-19,466	18,215	-11,186	703	703	703	703	703	703	703	0
Change in Cash	196,593	-182,141	-429,383	-204,953	2,563,567	-996,556	-996,814	-996,814	-996,814	-996,814	-996,814	-1,016,177	-5,053,121
Ending Cash	10,903,801	10,721,660	10,292,277	10,087,324	12,650,891	11,654,335	10,657,521	9,660,706	8,663,892	7,667,078	6,670,264	5,654,087	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
Assets			
Current Assets			
Cash	10,707,208	12,650,891	5,654,087
Total Current Assets	10,707,208	12,650,891	5,654,087
Total Assets	10,707,208	12,650,891	5,654,087
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-17,847	-22,769	-17,847
Total Current Liabilities	-17,847	-22,769	-17,847
Total Long-Term Liabilities	0	0	
Total Liabilities	-17,847	-22,769	-17,847
Equity			
Unrestricted Net Assets	10,725,056	10,725,056	10,725,056
Net Income	0	1,948,604	-5,053,121
Total Equity	10,725,056	12,673,660	5,671,935
Total Liabilities and Equity	10,707,208	12,650,891	5,654,087



QUESTIONS?

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