

HOGAN
PREP ACADEMY



June 2024 Financials

PREPARED JUL'24 BY



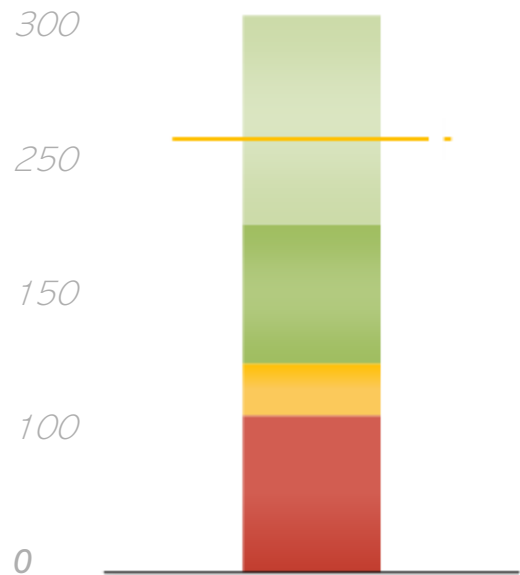
- **Executive Summary**
- **Cash Forecast**
- **Key Performance Indicators**
- **Forecast Overview**
- **Annotated Financials**
- **Monthly Projections**
- **Balance Sheet**

- HPA ends FY24 with a cash balance of \$11,497,448 and 251 Days of Cash.
- Revenue
 - Local revenue ended higher than budget. Prop C came in \$62.3K higher than budgeted and the school received \$43.8K in interest income which was not budgeted.
 - State revenue was \$1.4M lower than budgeted. The major contributor to this miss was the school not making its target enrollment and attendance numbers. We were able to use prior year WADA to offset an even higher potential loss.
 - Federal revenue was \$1.57M higher than budgeted. This was accomplished by using almost all remaining ESSER III funds.
 - Earned Fees were also lower than budgeted due to reimbursement from the City of KC (Agnes bus lane) not being received by 6/30/24.

- **Expenses**
 - Despite higher than budgeted expenses for occupancy and student transportation, 'savings' in all other budget categories resulted in a full year expense reduction of \$2.1M vs. budget.
 - \$1.5M of that amount is the \$1.5M legal contingency which was removed from the budget in 05/24. That expense is being carried in the FY25 operating budget.
- **Net Income**
 - With positive outcomes for the year in both revenue and expenses, HPA was able to improve its overall cash reserves, from \$10.7M in FY23 to \$11.5M in FY24.

Days of Cash

Cash balance at year-end divided by average daily expenses

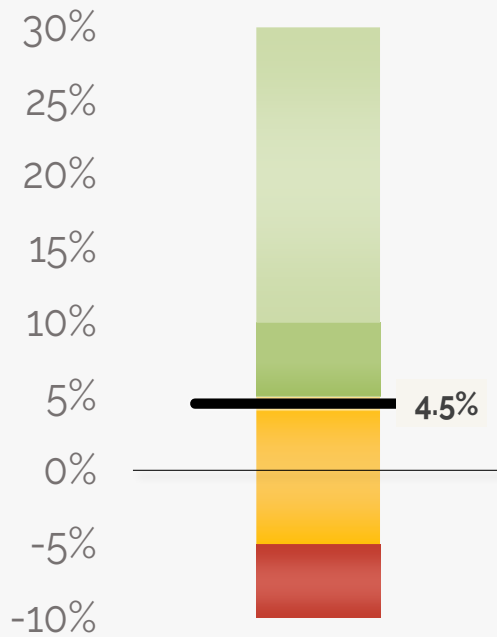


251 DAYS OF CASH AT YEAR'S END

The school will end the year with 251 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

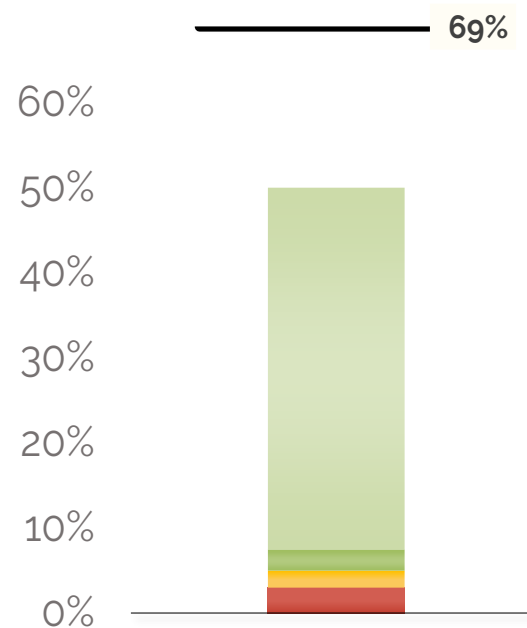


4.5% GROSS MARGIN

The forecasted net income is \$792k, which is \$4.4m above the budget. It yields a 4.5% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

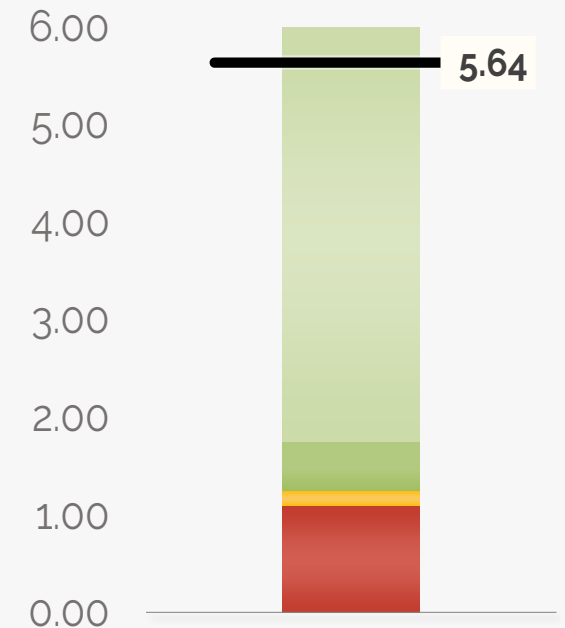


68.96% AT YEAR'S END

The school is projected to end the year with a fund balance of \$11,516,809. Last year's fund balance was \$10,725,056.

DSCR

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

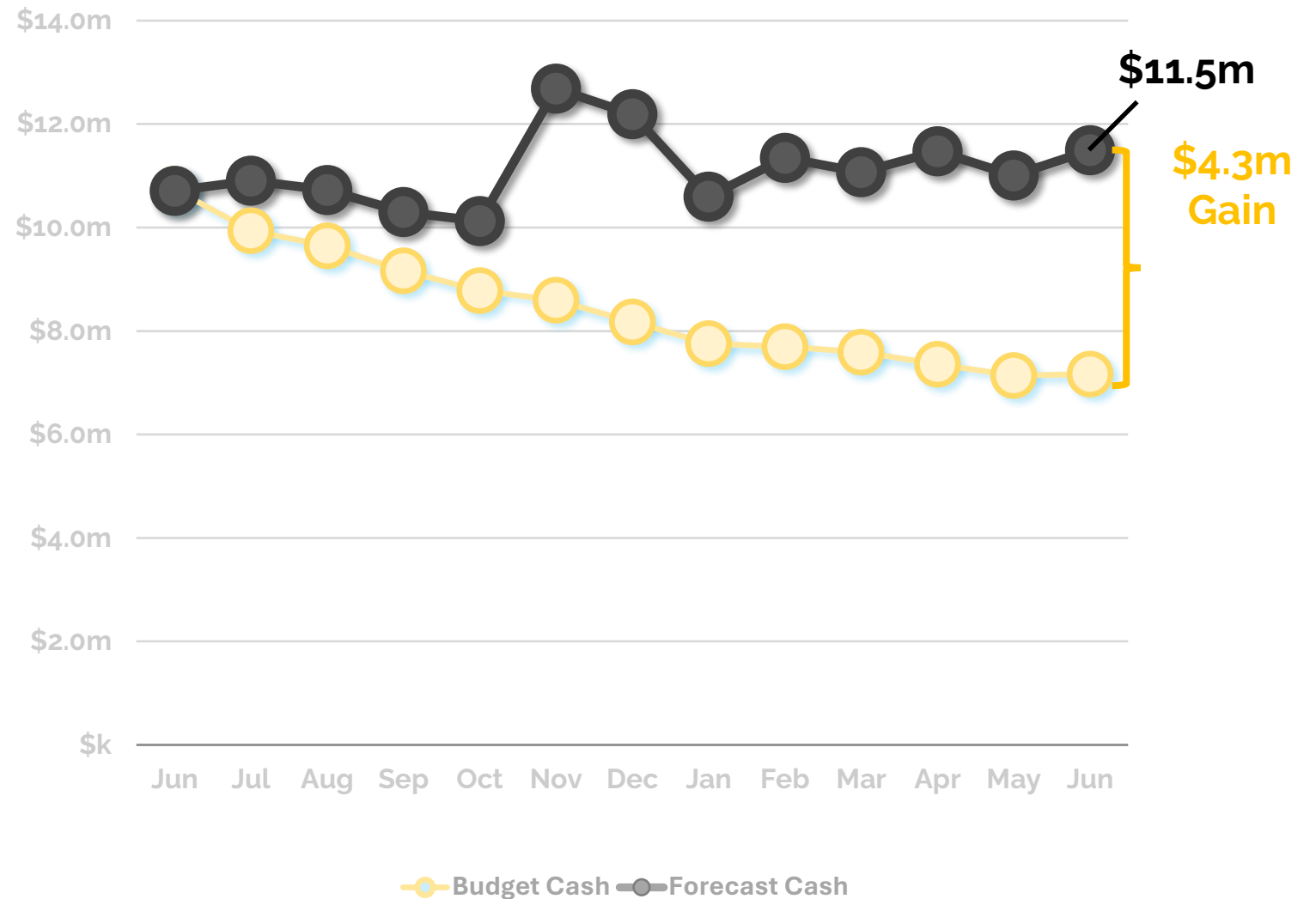


DSCR IS 5.64

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

251 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$11m**, **\$4.3m** above budget.



| | Year-To-Date | | | Annual Forecast | | | Remaining |
|------------------------------|-------------------|--------------------|------------------|-------------------|--------------------|------------------|-----------|
| | Actual | Budget | Variance | Forecast | Budget | Variance | |
| Revenue | | | | | | | |
| Local Revenue | 1,318,687 | 1,212,621 | 106,067 | 1,318,687 | 1,212,621 | 106,067 | - |
| State Revenue | 11,131,253 | 12,532,413 | (1,401,160) | 11,131,253 | 12,532,413 | (1,401,160) | - |
| Federal Revenue | 4,788,690 | 3,218,230 | 1,570,461 | 4,788,690 | 3,218,230 | 1,570,461 | - |
| Private Grants and Donations | 180,300 | 150,000 | 30,300 | 180,300 | 150,000 | 30,300 | - |
| Earned Fees | 73,997 | 332,630 | (258,633) | 73,997 | 332,630 | (258,633) | - |
| Total Revenue | 17,492,928 | 17,445,894 | 47,034 | 17,492,928 | 17,445,894 | 47,034 | ① |
| Expenses | | | | | | | |
| Salaries | 6,126,077 | 6,320,652 | 194,575 | 6,126,077 | 6,320,652 | 194,575 | - |
| Benefits and Taxes | 1,772,928 | 1,844,073 | 71,145 | 1,772,928 | 1,844,073 | 71,145 | - |
| Staff-Related Costs | 45,512 | 94,875 | 49,363 | 45,512 | 94,875 | 49,363 | - |
| Rent | - | 33,334 | 33,334 | - | 33,334 | 33,334 | - |
| Occupancy Service | 1,779,390 | 1,270,722 | (508,667) | 1,779,390 | 1,270,722 | (508,667) | - |
| Student Expense, Direct | 1,628,607 | 1,662,767 | 34,161 | 1,628,607 | 1,662,767 | 34,161 | - |
| Student Expense, Food | 503,235 | 1,110,810 | 607,576 | 503,235 | 1,110,810 | 607,576 | - |
| Office & Business Expense | 2,416,459 | 4,152,892 | 1,736,434 | 2,416,459 | 4,152,892 | 1,736,434 | - |
| Transportation | 1,074,905 | 951,265 | (123,640) | 1,074,905 | 951,265 | (123,640) | - |
| Total Ordinary Expenses | 15,347,112 | 17,441,391 | 2,094,279 | 15,347,112 | 17,441,391 | 2,094,279 | - |
| Interest | 943,467 | 84,233 | (859,234) | 943,467 | 84,233 | (859,234) | - |
| Facility Improvements | 410,596 | 3,493,154 | 3,082,558 | 410,596 | 3,493,154 | 3,082,558 | - |
| Total Extraordinary Expenses | 1,354,063 | 3,577,387 | 2,223,325 | 1,354,063 | 3,577,387 | 2,223,325 | - |
| Total Expenses | 16,701,175 | 21,018,778 | 4,317,603 | 16,701,175 | 21,018,778 | 4,317,603 | ② |
| Net Income | 791,753 | (3,572,884) | 4,364,637 | 791,753 | (3,572,884) | 4,364,637 | ③ |
| Cash Flow Adjustments | (1,513) | - | (1,513) | (1,513) | - | (1,513) | ④ |
| Change in Cash | 790,240 | (3,572,884) | 4,363,125 | 790,240 | (3,572,884) | 4,363,125 | ⑤ |

① REVENUE: \$47K AHEAD

Ahead vs. budget due primarily to using remaining ESSER III funds.

② EXPENSES: \$4.3M AHEAD

Tight leadership management of the expense budget was aided by removal of a \$1.5M contingency for a potential legal settlement, removal of KLS duplicate loan payments, and revision of Phalen fees to tie to actual enrollment.

③ NET INCOME: \$4.4M ahead

④ CASH ADJ: \$2K BEHIND

⑤ NET CHANGE IN CASH: \$4.4M AHEAD

Monthly Financials

| Income Statement | Actual | | | | | | | | | | | | Forecast |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | TOTAL |
| Revenue | | | | | | | | | | | | | |
| Local Revenue | 214,626 | 41,800 | 113,114 | 112,607 | 129,133 | 93,742 | 100,212 | 149,217 | 89,859 | 97,577 | 87,536 | 89,263 | 1,318,687 |
| State Revenue | 923,510 | 892,452 | 907,991 | 914,386 | 3,543,253 | 73,984 | 75,810 | 75,076 | 794,213 | 1,004,613 | 1,013,207 | 912,758 | 11,131,253 |
| Federal Revenue | 16,099 | 16,858 | 28,145 | 0 | 302,165 | 355,890 | 66,117 | 1,775,073 | 299,511 | 765,109 | 78,713 | 1,085,010 | 4,788,690 |
| Private Grants and Donations | 1,000 | 0 | 0 | 25,350 | 3,350 | 150,000 | 0 | 100 | 0 | 500 | 0 | 0 | 180,300 |
| Earned Fees | 1,950 | 0 | 3,467 | 8,314 | 53,929 | 0 | 1,532 | 1,600 | 1,653 | 1,552 | 0 | 0 | 73,997 |
| Total Revenue | 1,157,185 | 951,111 | 1,052,717 | 1,060,656 | 4,031,831 | 673,616 | 243,671 | 2,001,066 | 1,185,237 | 1,869,351 | 1,179,456 | 2,087,030 | 17,492,928 |
| Expenses | | | | | | | | | | | | | |
| Salaries | 389,577 | 487,543 | 698,533 | 506,162 | 537,667 | 521,047 | 496,054 | 487,965 | 493,591 | 497,548 | 501,633 | 508,757 | 6,126,077 |
| Benefits and Taxes | 114,968 | 140,507 | 141,796 | 140,119 | 144,908 | 139,203 | 171,806 | 157,684 | 153,924 | 153,761 | 159,661 | 154,591 | 1,772,928 |
| Staff-Related Costs | 0 | 6,500 | 216 | 932 | 8,215 | 3,270 | 3,229 | 5,604 | 6,006 | 4,250 | 3,090 | 4,200 | 45,512 |
| Rent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Occupancy Service | 111,443 | 151,650 | 102,901 | 173,939 | 127,694 | 187,724 | 157,860 | 143,080 | 164,027 | 133,412 | 205,032 | 120,629 | 1,779,390 |
| Student Expense, Direct | 84,040 | 107,256 | 109,531 | 122,714 | 89,985 | 59,579 | 181,446 | 75,222 | 131,324 | 367,404 | 217,666 | 82,440 | 1,628,607 |
| Student Expense, Food | 863 | 0 | 0 | 29,194 | 76,512 | 79,627 | 66,030 | 84,788 | 56,553 | 47,644 | 62,025 | 0 | 503,235 |
| Office & Business Expense | 209,905 | 236,824 | 383,892 | 236,190 | 105,483 | 71,741 | 357,592 | 189,260 | 204,976 | 184,372 | 194,771 | 41,452 | 2,416,459 |
| Transportation | 4,265 | 1,500 | 12,928 | 31,376 | 109,814 | 79,950 | 192,841 | 86,300 | 15,278 | 57,092 | 20,381 | 463,180 | 1,074,905 |
| Total Ordinary Expenses | 915,061 | 1,131,780 | 1,449,798 | 1,240,625 | 1,200,279 | 1,142,141 | 1,626,859 | 1,229,903 | 1,225,677 | 1,445,483 | 1,364,259 | 1,375,247 | 15,347,112 |
| Operating Income | 242,124 | -180,669 | -397,081 | -179,969 | 2,831,552 | -468,525 | -1,383,187 | 771,163 | -40,441 | 423,869 | -184,803 | 711,783 | 2,145,816 |
| Extraordinary Expenses | | | | | | | | | | | | | |
| Interest | 7,019 | 7,019 | 7,019 | 7,019 | 231,859 | 6,698 | 227,154 | 0 | 224,839 | 0 | 0 | 224,839 | 943,467 |
| Facility Improvements | 34,918 | 1,560 | 2,350 | 7,663 | 29,200 | 19,348 | 1,299 | 2,850 | 1,800 | 26,464 | 277,419 | 5,725 | 410,596 |
| Total Extraordinary Expenses | 41,937 | 8,579 | 9,369 | 14,682 | 261,059 | 26,046 | 228,453 | 2,850 | 226,639 | 26,464 | 277,419 | 230,564 | 1,354,063 |
| Total Expenses | 956,998 | 1,140,359 | 1,459,167 | 1,255,308 | 1,461,338 | 1,168,187 | 1,855,312 | 1,232,753 | 1,452,317 | 1,471,947 | 1,641,678 | 1,605,812 | 16,701,175 |
| Net Income | 200,187 | -189,248 | -406,450 | -194,651 | 2,570,493 | -494,571 | -1,611,640 | 768,313 | -267,080 | 397,404 | -462,222 | 481,219 | 791,753 |
| Cash Flow Adjustments | -1,788 | 9,359 | -19,437 | 19,077 | -11,186 | 3,099 | 16,424 | -21,221 | -7,669 | 8,337 | -6,961 | 10,452 | -1,513 |
| Change in Cash | 198,399 | -179,889 | -425,887 | -175,575 | 2,559,307 | -491,472 | -1,595,216 | 747,093 | -274,749 | 405,742 | -469,183 | 491,671 | 790,240 |
| Ending Cash | 10,905,607 | 10,725,718 | 10,299,831 | 10,124,256 | 12,683,563 | 12,192,091 | 10,596,875 | 11,343,968 | 11,069,219 | 11,474,961 | 11,005,778 | 11,497,448 | |

| | <i>Previous Year End</i> | <i>Current</i> | <i>Year End</i> |
|-------------------------------------|--------------------------|-------------------|-------------------|
| Assets | | | |
| Current Assets | | | |
| Cash | 10,707,208 | 11,497,449 | 11,497,448 |
| Total Current Assets | 10,707,208 | 11,497,449 | 11,497,448 |
| Total Assets | 10,707,208 | 11,497,449 | 11,497,448 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Other Current Liabilities | -17,847 | -19,360 | -19,360 |
| Total Current Liabilities | -17,847 | -19,360 | -19,360 |
| Total Long-Term Liabilities | 0 | 0 | |
| Total Liabilities | -17,847 | -19,360 | -19,360 |
| Equity | | | |
| Unrestricted Net Assets | 10,725,056 | 10,725,056 | 10,725,056 |
| Net Income | 0 | 791,753 | 791,753 |
| Total Equity | 10,725,056 | 11,516,809 | 11,516,809 |
| Total Liabilities and Equity | 10,707,208 | 11,497,448 | 11,497,448 |
| * KLS Loan Balance | | \$15,049,292.17 | |

*The HPA financials presented in each monthly board report conform to DESE standards. However, they do not reflect Hogan’s long-term liabilities, currently represented by the KLS loan for our most recent capital project. Both long term liabilities and associated assets are understated on this Balance Sheet.

This information IS produced each year as a part of the YE financials prepared by our auditor. However, given the amount of the loan and our ongoing discussions about future planning, we will begin to reflect it at the bottom of this Balance Sheet each month.

** The KLS loan was structured as a short-term vehicle (5 years) to assist schools who needed help and time transitioning to a longer-term loan. During the KLS loan period no interest is charged, but KLS captures 14% of the school’s State funding (Basic Formula) and applies it to principal. HPA’s loan with KLS has an end date of 6/30/27. The balance provided is as of 3/31/24. Loan payments are made quarterly.



QUESTIONS?

Please contact your EdOps Finance Team:

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