

HOGAN
PREP ACADEMY



September 2024 Financials

PREPARED OCT'24 BY



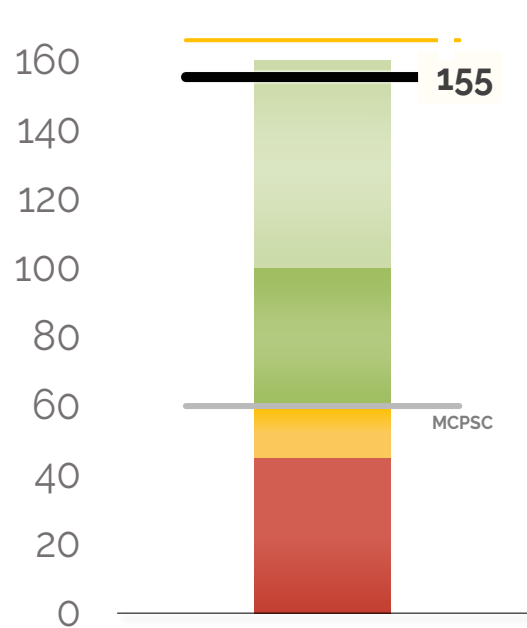
- **Executive Summary**
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- HPA closes out the first quarter of FY25 with a projected cash balance of \$8.2M, \$481k below the approved budget. Days of Cash = 155 Days.
- Revenue
 - The primary driver for the change in our YE cash balance is a decrease in State funding vs. budget. We had originally projected an enrollment of 950 vs. the 871 currently enrolled. This is a shortfall of 119 students.
 - On the plus side, we can use prior year WADA in our State funding calculation, which helps to offset some of this revenue shortfall. As a result, we have a loss of \$524K vs. a loss of \$1M+.
 - This year is the last year we are able to use a high prior year WADA. In FY26, unless we increase enrollment, prior year WADA drops to 779, further reducing State funding.

- Revenue
 - On the plus side, we have received \$103k in ESSER III funds. This is our final drawdown of these funds.
- Expense
 - From an expense perspective, spending is in line with budget apart from staffing, where we are running \$120k over budget. Most of this is tied to requirements for SPED students.
- Net Income
 - With lower revenue and higher expenses, Net Income for the year has decreased by \$488,684.
- Looking forward
 - Focus on enrollment & attendance; tightly manage expenses

Days of Cash

Cash balance at year-end divided by average daily expenses

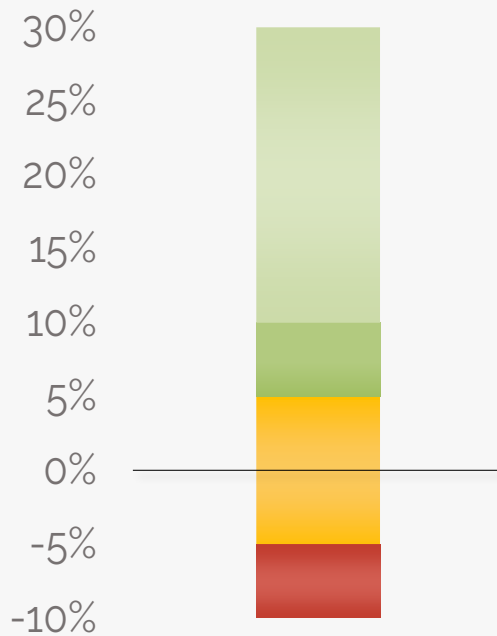


155 DAYS OF CASH AT YEAR'S END

The school will end the year with 155 days of cash. This is above the recommended 60 days, and 8 less day(s) than last month

Gross Margin

Revenue less expenses, divided by revenue

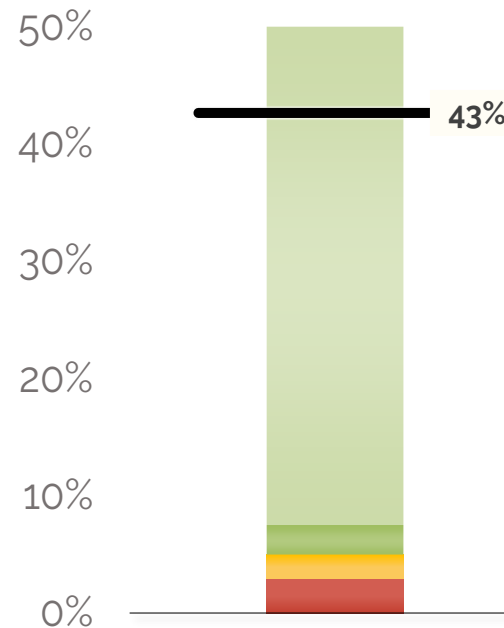


-20.5% GROSS MARGIN

The forecasted net income is -\$3.3m, which is \$489k below the budget. It yields a -20.5% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

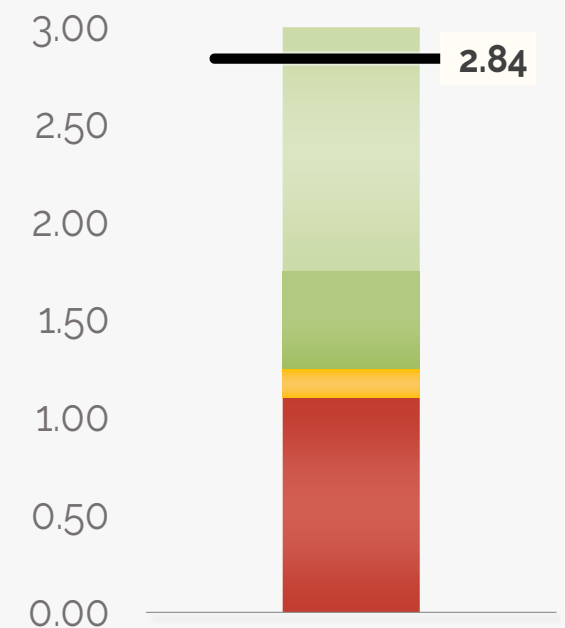


42.63% AT YEAR'S END

The school is projected to end the year with a fund balance of \$8,239,627. Last year's fund balance was \$11,524,148.

DSCR

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

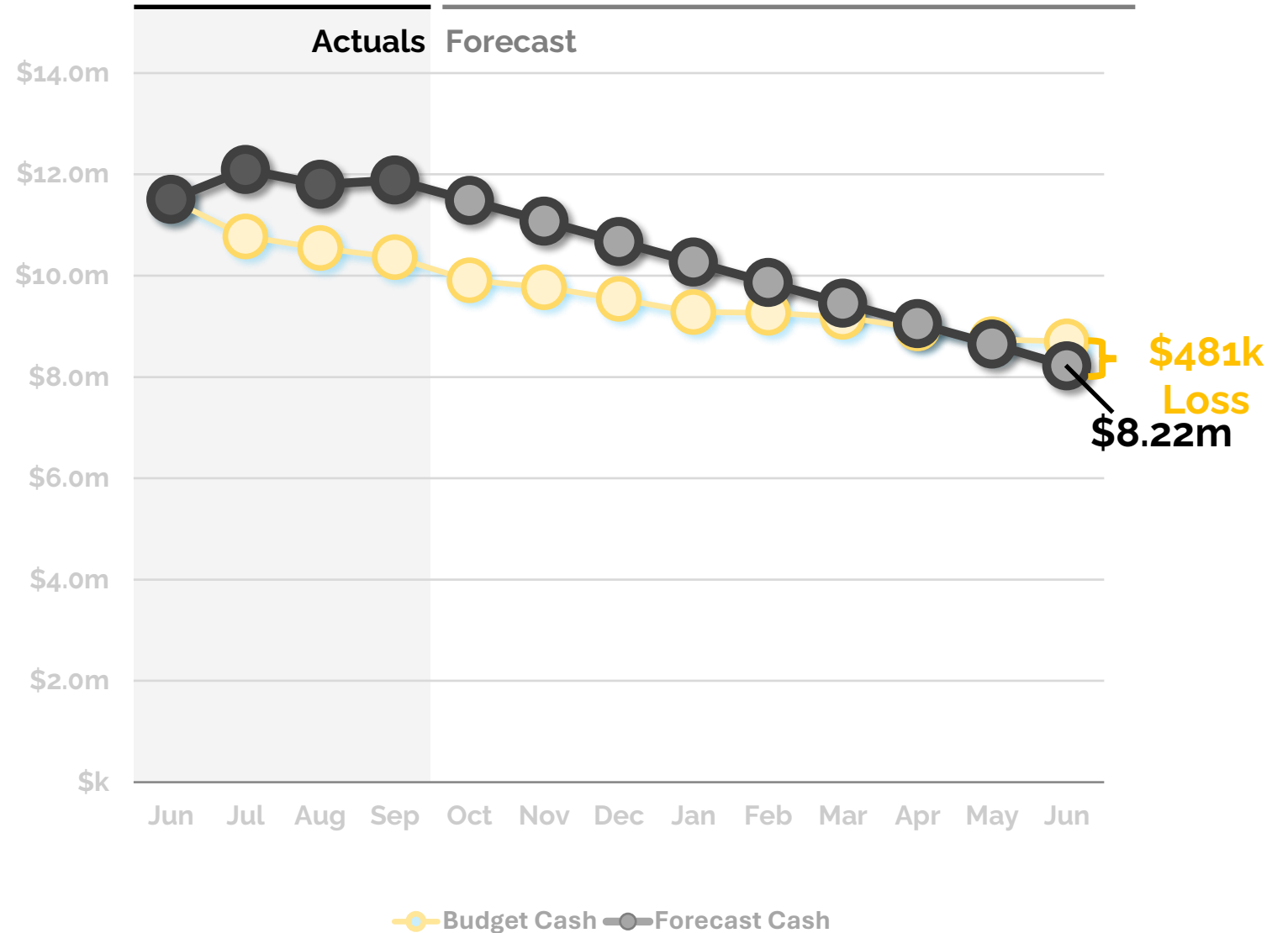


DSCR IS 2.84

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

155 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$8.2m**, **\$481k** below budget.



Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$16m	\$16.3m	-\$302k		(\$523,987) decrease in State funding tied to lower enrollment; offset by \$102k in ESSER funds
Expenses	\$19.3m	\$19.1m	-\$187k		Staffing for SPED students, as required by State law
Net Income	-\$3.3m	-\$2.8m	-\$489k		
Cash Flow Adjustments	0	0	0		
Change in Cash	-\$3.3m	-\$2.8m	-\$489k		

	Year-To-Date			Annual Forecast				
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining	Rem %
Revenue								
Local Revenue	363,482	327,195	36,287	1,308,780	1,308,780	(0)	945,299	72%
State Revenue	2,992,750	2,698,204	294,546	11,587,779	12,111,767	(523,987)	8,595,029	74%
Federal Revenue	322,401	269,963	52,438	1,954,882	1,852,108	102,774	1,632,482	84%
Private Grants and Donations	136,000	69,500	66,500	695,000	695,000	(0)	559,000	80%
Earned Fees	483,176	37,607	445,569	495,263	376,070	119,193	12,087	2%
Total Revenue	4,297,808	3,402,469	895,340	16,041,705	16,343,725	(302,021)	11,743,896	1
Expenses								
Salaries	1,718,015	1,740,345	22,330	7,011,168	6,961,380	(49,788)	5,293,153	75%
Benefits and Taxes	481,375	543,697	62,322	2,245,443	2,174,787	(70,656)	1,764,068	79%
Staff-Related Costs	131,724	14,348	(117,376)	126,590	57,390	(69,200)	(5,134)	-4%
Occupancy Service	351,999	404,241	52,242	1,618,268	1,616,963	(1,305)	1,266,269	78%
Student Expense, Direct	353,941	336,288	(17,654)	1,451,618	1,345,151	(106,467)	1,097,676	76%
Student Expense, Food	56,078	75,000	18,922	750,000	750,000	(0)	693,922	93%
Office & Business Expense	831,567	1,009,660	178,093	3,927,887	4,038,639	110,752	3,096,320	79%
Transportation	10,625	93,213	82,588	918,231	918,231	0	907,606	99%
Total Ordinary Expenses	3,935,325	4,216,791	281,466	18,049,205	17,862,542	(186,663)	14,113,880	78%
Interest	-	319,255	319,255	1,277,020	1,277,020	(0)	1,277,020	100%
Total Extraordinary Expenses	-	319,255	319,255	1,277,020	1,277,020	(0)	1,277,020	100%
Total Expenses	3,935,325	4,536,046	600,721	19,326,225	19,139,562	(186,663)	15,390,900	2
Net Income	362,484	(1,133,577)	1,496,061	(3,284,520)	(2,795,837)	(488,684)	(3,647,004)	3
Cash Flow Adjustments	19,786	-	19,786	0	-	0	(19,786)	4
Change in Cash	382,270	(1,133,577)	1,515,847	(3,284,520)	(2,795,837)	(488,684)	(3,666,790)	5

1 REVENUE: \$302K BEHIND

2 EXPENSES: \$187K BEHIND

3 NET INCOME: \$489K behind

4 CASH ADJ:\$0K AHEAD

5 NET CHANGE IN CASH: \$489K BEHIND

Monthly Financials

Income Statement	Actual			Forecast									TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Revenue													
Local Revenue	154,741	111,523	97,218	105,033	105,033	105,033	105,033	105,033	105,033	105,033	105,033	105,033	1,308,780
State Revenue	1,007,545	1,020,143	965,062	955,003	955,003	955,003	955,003	955,003	955,003	955,003	955,003	955,003	11,587,779
Federal Revenue	56,562	5,302	260,537	181,387	181,387	181,387	181,387	181,387	181,387	181,387	181,387	181,387	1,954,882
Private Grants and Donations	1,000	0	135,000	62,111	62,111	62,111	62,111	62,111	62,111	62,111	62,111	62,111	695,000
Earned Fees	332,630	117,654	32,892	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	495,263
Total Revenue	1,552,478	1,254,622	1,490,709	1,304,877	1,304,877	1,304,877	1,304,877	1,304,877	1,304,877	1,304,877	1,304,877	1,304,877	16,041,705
Expenses													
Salaries	505,770	565,535	646,710	585,655	585,655	585,655	585,655	585,655	585,655	585,655	585,655	607,914	7,011,168
Benefits and Taxes	147,963	149,600	183,812	196,008	196,008	196,008	196,008	196,008	196,008	196,008	196,008	196,008	2,245,443
Staff-Related Costs	6,139	552	125,033	-570	-570	-570	-570	-570	-570	-570	-570	-570	126,590
Occupancy Service	119,747	87,951	144,300	140,697	140,697	140,697	140,697	140,697	140,697	140,697	140,697	140,697	1,618,268
Student Expense, Direct	63,509	182,231	108,201	121,964	121,964	121,964	121,964	121,964	121,964	121,964	121,964	121,964	1,451,618
Student Expense, Food	56,078	0	0	77,102	77,102	77,102	77,102	77,102	77,102	77,102	77,102	77,102	750,000
Office & Business Expense	61,486	569,695	200,386	344,036	344,036	344,036	344,036	344,036	344,036	344,036	344,036	344,036	3,927,887
Transportation	2,155	0	8,470	100,845	100,845	100,845	100,845	100,845	100,845	100,845	100,845	100,845	918,231
Total Ordinary Expenses	962,848	1,555,565	1,416,912	1,565,736	1,565,736	1,565,736	1,565,736	1,565,736	1,565,736	1,565,736	1,565,736	1,587,995	18,049,205
Operating Income	589,630	-300,943	73,796	-260,858	-260,858	-260,858	-260,858	-260,858	-260,858	-260,858	-260,858	-283,117	-2,007,500
Extraordinary Expenses													
Interest	0	0	0	141,891	141,891	141,891	141,891	141,891	141,891	141,891	141,891	141,891	1,277,020
Total Extraordinary Expenses	0	0	0	141,891	141,891	141,891	141,891	141,891	141,891	141,891	141,891	141,891	1,277,020
Total Expenses	962,848	1,555,565	1,416,912	1,707,627	1,707,627	1,707,627	1,707,627	1,707,627	1,707,627	1,707,627	1,707,627	1,729,886	19,326,225
Net Income	589,630	-300,943	73,796	-402,749	-402,749	-402,749	-402,749	-402,749	-402,749	-402,749	-402,749	-425,008	-3,284,520
Cash Flow Adjustments	852	6,716	12,218	-2,198	-2,198	-2,198	-2,198	-2,198	-2,198	-2,198	-2,198	-2,198	0
Change in Cash	590,482	-294,227	86,014	-404,948	-404,948	-404,948	-404,948	-404,948	-404,948	-404,948	-404,948	-427,207	-3,284,520
Ending Cash	12,095,269	11,801,043	11,887,057	11,482,109	11,077,161	10,672,213	10,267,265	9,862,318	9,457,370	9,052,422	8,647,474	8,220,267	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
Assets			
Current Assets			
Cash	11,504,787	11,887,057	8,220,267
Total Current Assets	11,504,787	11,887,057	8,220,267
Total Assets	11,504,787	11,887,057	8,220,267
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-19,360	426	-19,360
Total Current Liabilities	-19,360	426	-19,360
Total Long-Term Liabilities	0	0	
Total Liabilities	-19,360	426	-19,360
Equity			
Unrestricted Net Assets	11,524,148	11,524,148	11,524,148
Net Income	0	362,484	-3,284,520
Total Equity	11,524,148	11,886,631	8,239,627
Total Liabilities and Equity	11,504,787	11,887,057	8,220,267
** KLS Loan Balance		\$14,601,013.35	

*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 7/31/24. Loan payments are made quarterly.



QUESTIONS?

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