

HOGAN
PREP ACADEMY



October 2024 Financials

PREPARED **NOV'24** BY



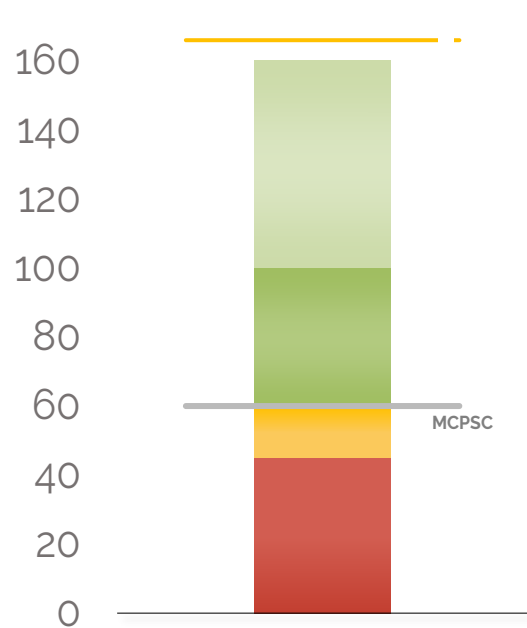
- **Executive Summary**
- **Cash Forecast**
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- HPA ended October 2024 with a projected YE cash balance of \$9.1M, \$401k over the projected budget. And the YE Days of Cash projection is 179 days. This improvement from our September financials is the result of increases in our full year revenue forecast and adjustments to our full year expense outlook.
- Revenue
 - Our full year forecast is still \$206k below budget, but we have benefited from ESSER funds and a duplicate invoice payment from FY24 being credited to FY25 revenue. Those two items reduced our budget deficit by a bit more than 50%.

- **Expenses**
 - Changes in our Phalen fees as well as updates to several other expense categories have resulted in a full year expense forecast which is trending below budget at this time.
 - Additionally, we have updated the forecast for our KLS interest fee loan payments to reflect actual vs. budget. This created a significant variance/savings of \$486.5k.
- **Net Income**
 - From an operating budget perspective, we are showing a \$100k increase in total expenses vs. budget.
 - When the KLS loan 'savings' are factored in, our budgeted deficit of (\$2.8M) improves to (\$2.4M).

Days of Cash

Cash balance at year-end divided by average daily expenses

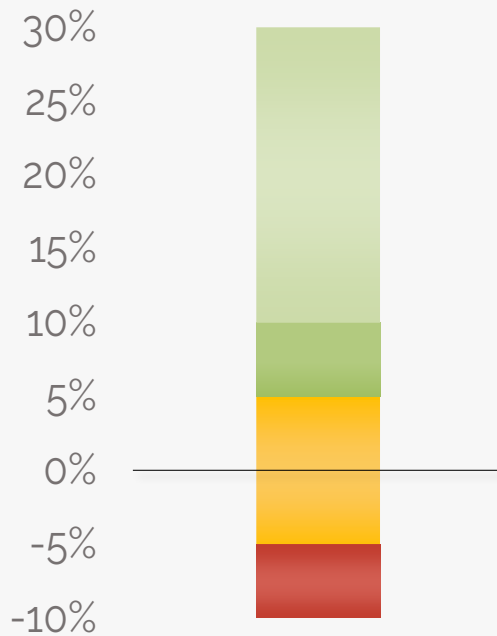


179 DAYS OF CASH AT YEAR'S END

The school will end the year with 179 days of cash. This is above the recommended 60 days, and 23 more day(s) than last month

Gross Margin

Revenue less expenses, divided by revenue

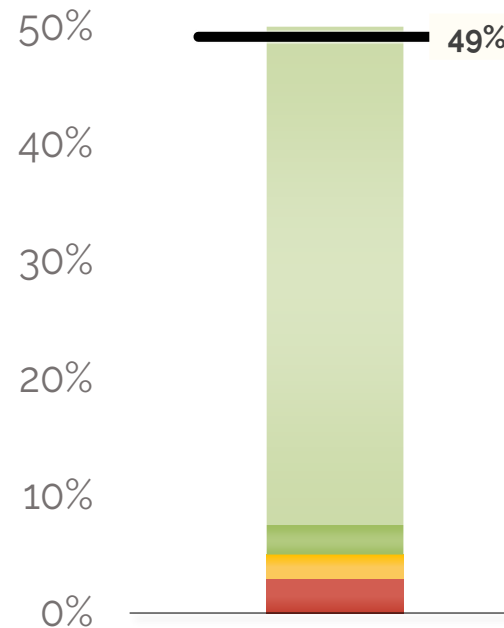


-14.9% GROSS MARGIN

The forecasted net income is -\$2.4m, which is \$394k above the budget. It yields a -14.9% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

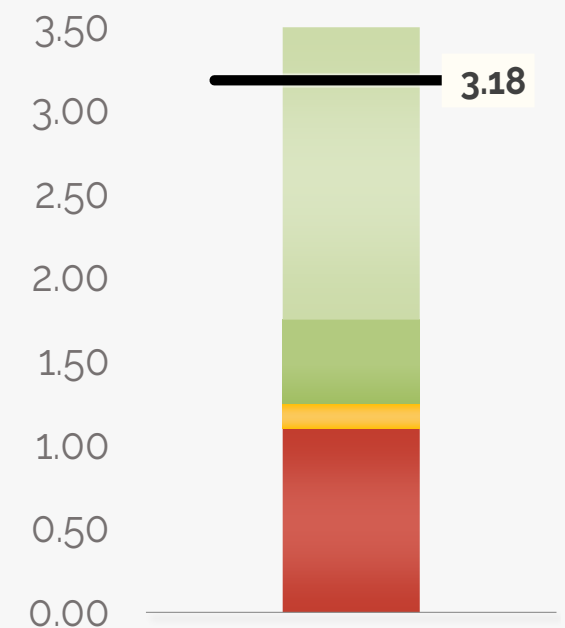


49.14% AT YEAR'S END

The school is projected to end the year with a fund balance of \$9,109,609. Last year's fund balance was \$11,511,484.

DSCR

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



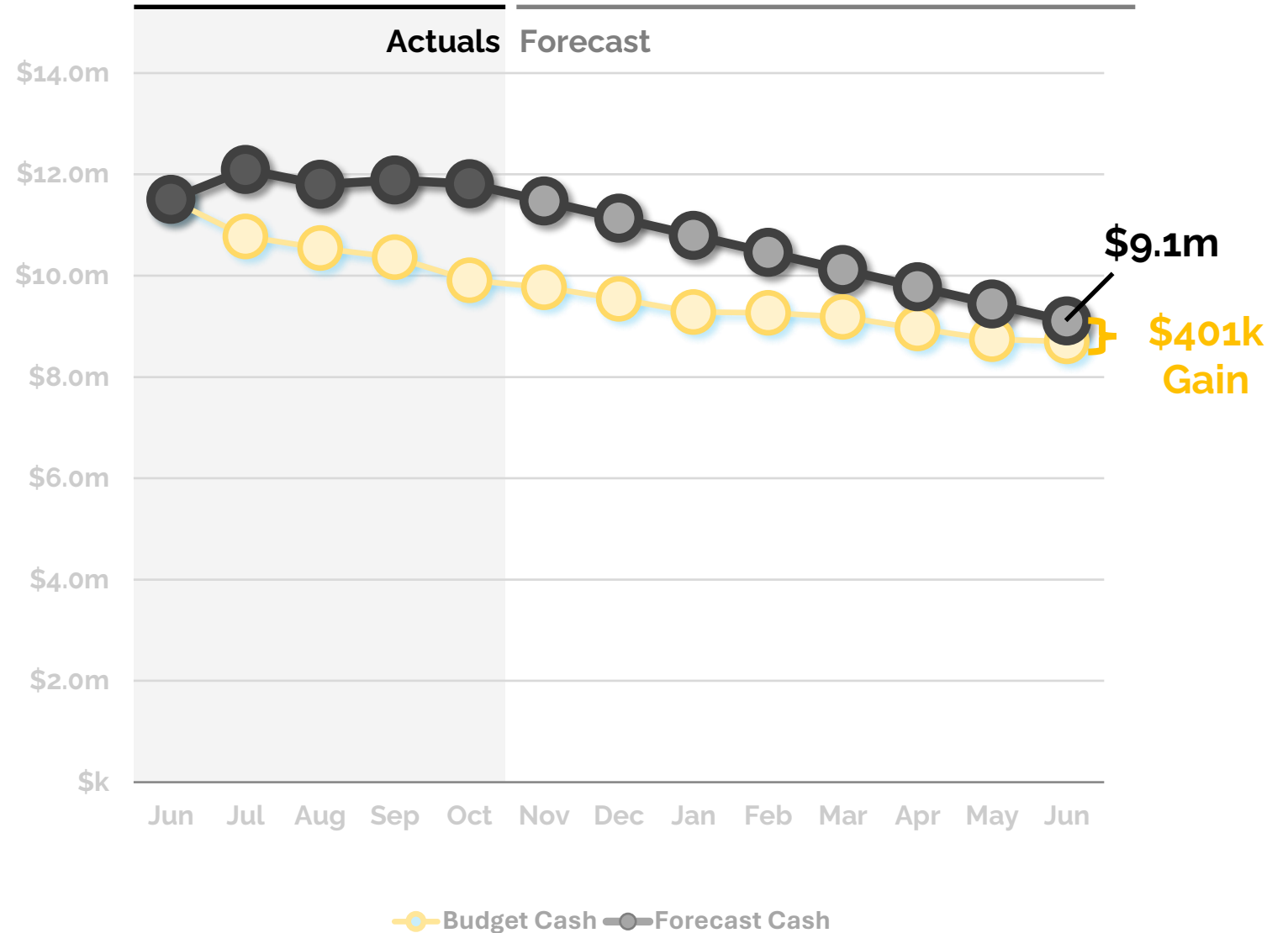
DSCR IS 3.18

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







179 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$9.1m**, **\$401k** above budget.

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Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$16.1m	\$16.3m	-\$206k		Lower than budgeted enrollment and transportation reimbursement, offset by ESSER funds and a duplicate invoice payment refund.
Expenses	\$18.5m	\$19.1m	\$600k		Adjustments in Phalen fees and KLS loan payments based on actual enrollment
Net Income	-\$2.4m	-\$2.8m	\$394k		
Cash Flow Adjustments	0	0	0		
Change in Cash	-\$2.4m	-\$2.8m	\$394k		
					

	Year-To-Date			Annual Forecast				
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining	Rem %
Revenue								
Local Revenue	456,023	431,981	24,042	1,308,780	1,308,780	0	852,757	65%
State Revenue	3,973,154	3,560,967	412,187	11,682,011	12,111,767	(429,755)	7,708,857	66%
Federal Revenue	398,613	433,173	(34,561)	1,954,882	1,852,108	102,774	1,556,270	80%
Private Grants and Donations	136,000	69,500	66,500	695,000	695,000	-	559,000	80%
Earned Fees	488,853	75,214	413,639	496,885	376,070	120,815	8,032	2%
Total Revenue	5,452,643	4,570,836	881,807	16,137,560	16,343,725	(206,165)	10,684,917	①
Expenses								
Salaries	2,290,418	2,320,460	30,042	6,981,372	6,961,380	(19,992)	4,690,954	67%
Benefits and Taxes	643,909	724,929	81,020	2,030,517	2,174,787	144,271	1,386,608	68%
Staff-Related Costs	84,869	19,130	(65,739)	124,590	57,390	(67,200)	39,722	32%
Occupancy Service	508,838	538,988	30,150	1,618,268	1,616,963	(1,305)	1,109,430	69%
Student Expense, Direct	419,223	448,384	29,161	1,451,618	1,345,151	(106,467)	1,032,395	71%
Student Expense, Food	90,882	150,000	59,118	750,000	750,000	(0)	659,118	88%
Office & Business Expense	872,160	1,346,213	474,053	3,874,358	4,038,639	164,280	3,002,198	77%
Transportation	57,205	184,882	127,677	918,231	918,231	0	861,027	94%
Total Ordinary Expenses	4,967,504	5,732,986	765,482	17,748,955	17,862,542	113,587	12,781,451	72%
Interest	197,620	425,673	228,053	790,480	1,277,020	486,540	592,860	75%
Total Extraordinary Expenses	197,620	425,673	228,053	790,480	1,277,020	486,540	592,860	75%
Total Expenses	5,165,124	6,158,659	993,535	18,539,435	19,139,562	600,127	13,374,311	②
Net Income	287,519	(1,587,823)	1,875,342	(2,401,875)	(2,795,837)	393,962	(2,689,394)	③
Cash Flow Adjustments	19,651	-	19,651	0	-	0	(19,651)	④
Change in Cash	307,171	(1,587,823)	1,894,994	(2,401,875)	(2,795,837)	393,962	(2,709,046)	⑤

① REVENUE: \$206K BEHIND

Shortfall in State funding due to lower enrollment offset by ESSER funds and duplicate invoice payment refund

② EXPENSES: \$600K AHEAD

Adjustments to Phalen fees and KLS loan repayment (based on actual vs. budgeted enrollment)

③ NET INCOME: \$394K ahead

④ CASH ADJ: \$0K AHEAD

⑤ NET CHANGE IN CASH: \$394K AHEAD

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	92,541	106,595	106,595	106,595	106,595	106,595	106,595	106,595	106,595	1,308,780
State Revenue	1,007,545	1,020,143	965,062	980,404	963,607	963,607	963,607	963,607	963,607	963,607	963,607	963,607	11,682,011
Federal Revenue	56,562	5,302	260,537	76,212	194,534	194,534	194,534	194,534	194,534	194,534	194,534	194,534	1,954,882
Private Grants and Donations	1,000	0	135,000	0	69,875	69,875	69,875	69,875	69,875	69,875	69,875	69,875	695,000
Earned Fees	332,630	117,654	32,892	5,677	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	496,885
Total Revenue	1,552,478	1,254,622	1,490,709	1,154,835	1,335,615	1,335,615	1,335,615	1,335,615	1,335,615	1,335,615	1,335,615	1,335,615	16,137,560
Expenses													
Salaries	505,770	565,535	646,710	572,403	586,369	586,369	586,369	586,369	586,369	586,369	586,369	586,369	6,981,372
Benefits and Taxes	147,963	149,600	183,812	162,534	173,326	173,326	173,326	173,326	173,326	173,326	173,326	173,326	2,030,517
Staff-Related Costs	6,139	552	125,033	-46,855	4,965	4,965	4,965	4,965	4,965	4,965	4,965	4,965	124,590
Occupancy Service	119,747	87,951	144,300	156,839	138,679	138,679	138,679	138,679	138,679	138,679	138,679	138,679	1,618,268
Student Expense, Direct	63,509	182,231	108,201	65,282	129,049	129,049	129,049	129,049	129,049	129,049	129,049	129,049	1,451,618
Student Expense, Food	56,078	0	0	34,804	82,390	82,390	82,390	82,390	82,390	82,390	82,390	82,390	750,000
Office & Business Expense	61,486	569,695	200,386	40,593	375,275	375,275	375,275	375,275	375,275	375,275	375,275	375,275	3,874,358
Transportation	2,155	0	8,470	46,579	107,628	107,628	107,628	107,628	107,628	107,628	107,628	107,628	918,231
Total Ordinary Expenses	962,848	1,555,565	1,416,912	1,032,179	1,597,681	1,597,681	1,597,681	1,597,681	1,597,681	1,597,681	1,597,681	1,597,681	17,748,955
Operating Income	589,630	-300,943	73,796	122,655	-262,067	-262,067	-262,067	-262,067	-262,067	-262,067	-262,067	-262,067	-1,611,395
Extraordinary Expenses													
Interest	0	0	0	197,620	74,108	74,108	74,108	74,108	74,108	74,108	74,108	74,108	790,480
Total Extraordinary Expenses	0	0	0	197,620	74,108	74,108	74,108	74,108	74,108	74,108	74,108	74,108	790,480
Total Expenses	962,848	1,555,565	1,416,912	1,229,799	1,671,789	1,671,789	1,671,789	1,671,789	1,671,789	1,671,789	1,671,789	1,671,789	18,539,435
Net Income	589,630	-300,943	73,796	-74,964	-336,174	-336,174	-336,174	-336,174	-336,174	-336,174	-336,174	-336,174	-2,401,875
Cash Flow Adjustments	852	6,716	12,218	-135	-2,456	-2,456	-2,456	-2,456	-2,456	-2,456	-2,456	-2,456	0
Change in Cash	590,482	-294,227	86,014	-75,099	-338,631	-338,631	-338,631	-338,631	-338,631	-338,631	-338,631	-338,631	-2,401,875
Ending Cash	12,095,269	11,801,043	11,887,057	11,811,958	11,473,327	11,134,697	10,796,066	10,457,435	10,118,804	9,780,174	9,441,543	9,102,912	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
Assets			
Current Assets			
Cash	11,504,787	11,811,958	9,102,912
Total Current Assets	11,504,787	11,811,958	9,102,912
Total Assets	11,504,787	11,811,958	9,102,912
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-6,697	12,954	-6,697
Total Current Liabilities	-6,697	12,954	-6,697
Total Long-Term Liabilities	0	0	
Total Liabilities	-6,697	12,954	-6,697
Equity			
Unrestricted Net Assets	11,511,484	11,511,484	11,511,484
Net Income	0	287,519	-2,401,875
Total Equity	11,511,484	11,799,004	9,109,609
Total Liabilities and Equity	11,504,787	11,811,958	9,102,912

**** KLS Loan Balance**

\$14,403,393.35

*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 10/31/24. Loan payments are made quarterly.



QUESTIONS?

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