

HOGAN
PREP ACADEMY



December 2024 Financials

PREPARED JAN'25 BY



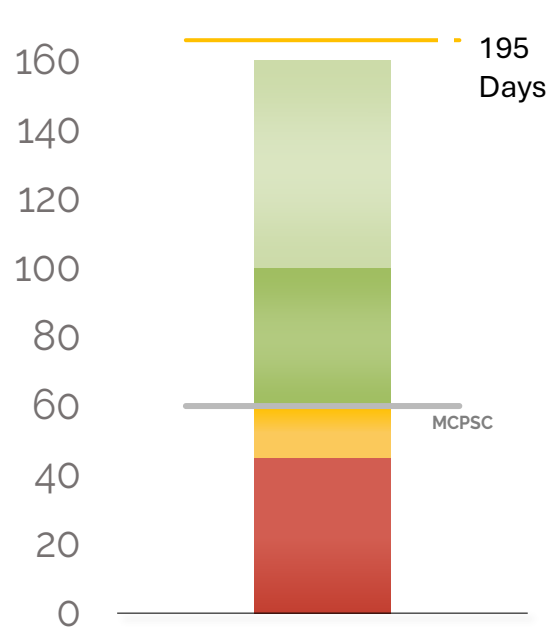
- **Executive Summary**
- **Cash Forecast**
- **Key Performance Indicators**
- **Forecast Overview**
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- **Monthly Projections**
- **Balance Sheet**

- HPA closed out December 2024 with a projected YE cash balance of \$9.7M, \$1M above budget. Days of Cash is 195 days.
- Revenue
 - Our full year revenue forecast is ahead of budget by \$60K. While State funding is lower than budgeted due to lower enrollment, we have received unbudgeted revenue from ESSER III, ARP HCYii and interest income which are more than offsetting our State revenue deficit.
- Expenses
 - We are projecting significant 'savings' in both Salaries/Benefits due to lower than budgeted staffing.
 - We are also benefiting by about \$490k because of reduced KLS loan payments for FY24 vs. budget.

- **Net Income**
 - As a result, our YE net income outlook has improved from a budget of (\$2,795,837) to (\$1,790,200).
 - Please note that we are holding \$1.5M in reserves to cover a potential legal settlement. Should that not occur, our net income would further improve to (\$290,200)
- **FY24 Audit – HPA received a ‘clean’ FY24 audit!**

Days of Cash

Cash balance at year-end divided by average daily expenses

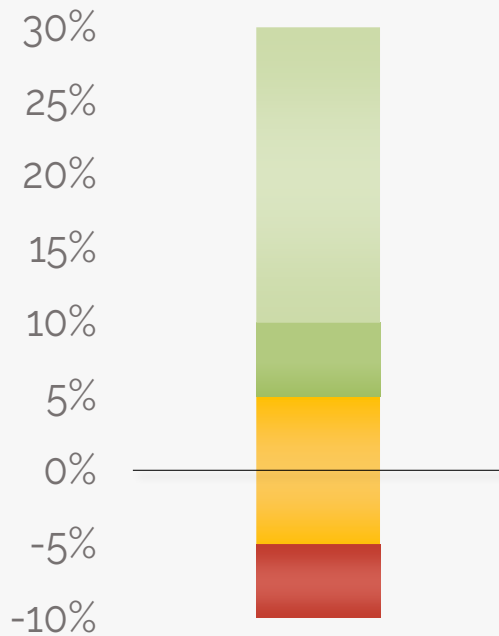


195 DAYS OF CASH AT YEAR'S END

The school will end the year with 195 days of cash. This is above the recommended 60 days, and 4 more day(s) than last month

Gross Margin

Revenue less expenses, divided by revenue

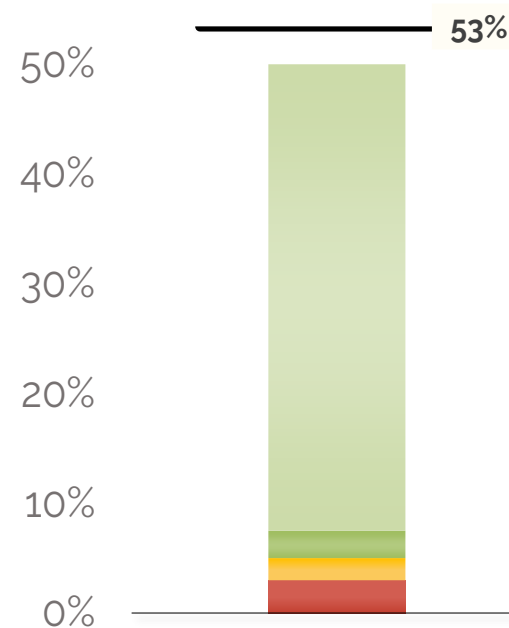


-10.9% GROSS MARGIN

The forecasted net income is -\$1.8m, which is \$1.0m above the budget. It yields a -10.9% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

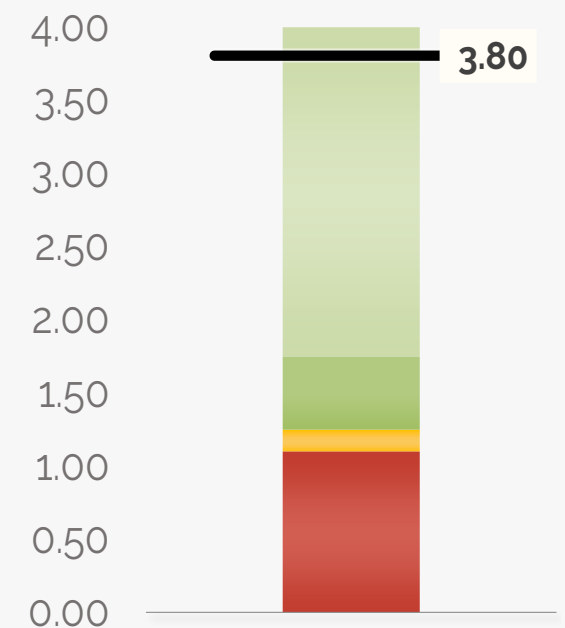


53.43% AT YEAR'S END

The school is projected to end the year with a fund balance of \$9,721,284. 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 3.8

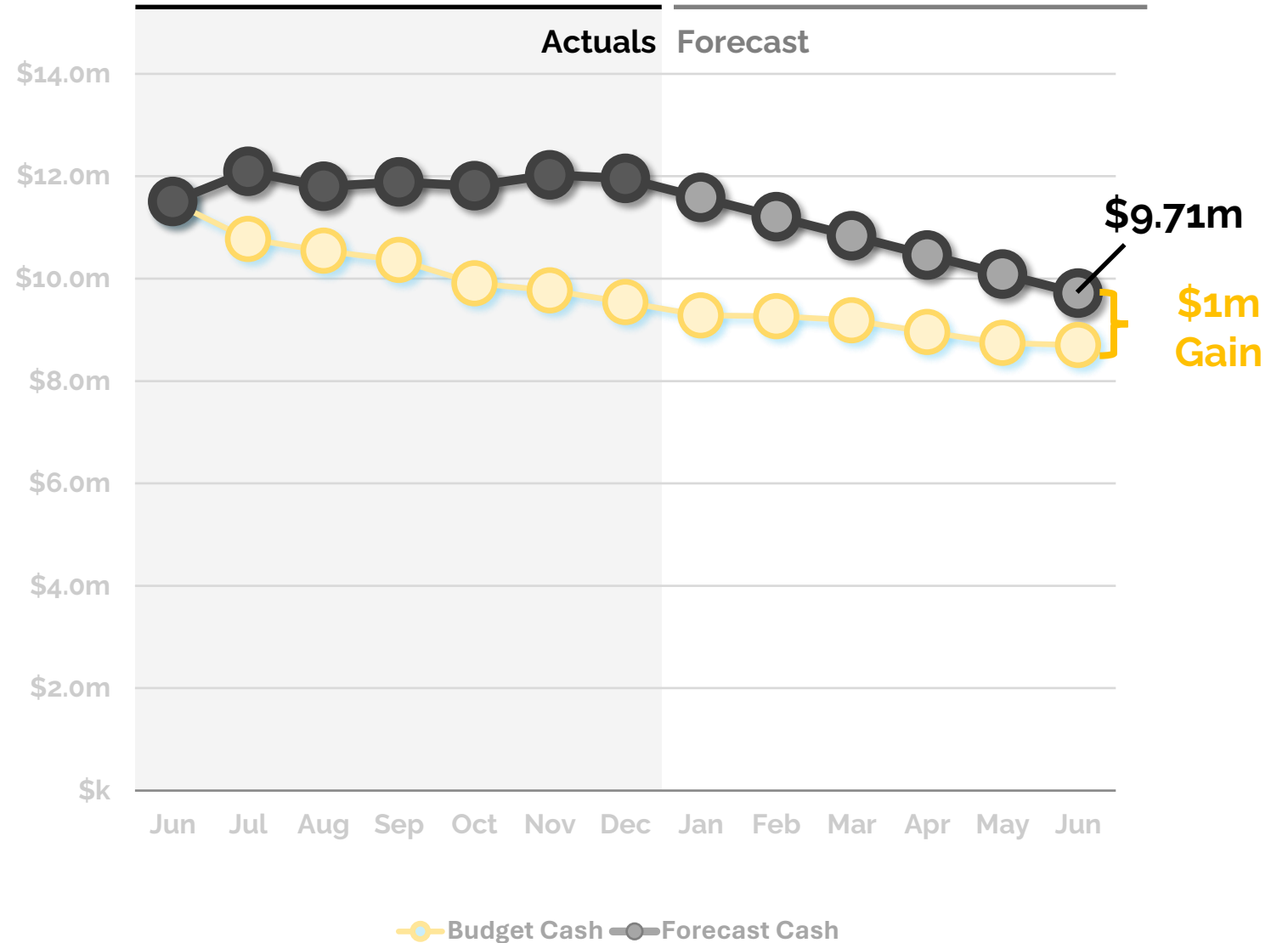
Debt Service Coverage Ratio is defined by the school's bank covenants.

Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$16.4m	\$16.3m	\$59k	+59k	Interest income and unbudgeted grant revenue offsetting State funding deficit due to lower enrollment.
Expenses	\$18.2m	\$19.1m	\$946k	+946k	'Savings' in salaries/benefits, plus lower than budgeted KLS loan repayment & Phalen fees
Net Income	-\$1.8m	-\$2.8m	\$1m	1m	
Cash Flow Adjustments	0	0	0	+0k	
Change in Cash	-\$1.8m	-\$2.8m	\$1m	1m	

195 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$9.7m**, **\$1m** above budget



	Year-To-Date			Annual Forecast				
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining	Rem %
Revenue								
Local Revenue	665,278	654,390	10,888	1,323,780	1,308,780	15,000	658,502	50%
State Revenue	6,057,736	5,506,320	551,416	11,898,286	12,111,767	(213,480)	5,840,551	49%
Federal Revenue	1,165,554	787,935	377,619	1,989,024	1,852,108	136,916	823,470	41%
Private Grants and Donations	140,330	347,500	(207,170)	695,000	695,000	-	554,670	80%
Earned Fees	489,203	150,428	338,775	496,885	376,070	120,815	7,682	2%
Total Revenue	8,518,102	7,446,573	1,071,528	16,402,977	16,343,725	59,251	7,884,875	①
Expenses								
Salaries	3,412,096	3,480,690	68,594	6,682,669	6,961,380	278,712	3,270,573	49%
Benefits and Taxes	954,135	1,087,394	133,259	1,959,006	2,174,787	215,781	1,004,871	51%
Staff-Related Costs	93,214	28,695	(64,519)	124,590	57,390	(67,200)	31,376	25%
Occupancy Service	787,237	808,482	21,245	1,616,743	1,616,963	221	829,506	51%
Student Expense, Direct	784,018	672,576	(111,442)	1,465,736	1,345,151	(120,585)	681,718	47%
Student Expense, Food	90,882	300,000	209,118	750,000	750,000	(0)	659,118	88%
Office & Business Expense	1,446,917	2,019,319	572,402	3,885,722	4,038,639	152,916	2,438,805	63%
Transportation	306,982	368,219	61,238	918,231	918,231	0	611,250	67%
Total Ordinary Expenses	7,875,480	8,765,375	889,895	17,402,697	17,862,542	459,845	9,527,217	55%
Interest	197,620	638,510	440,890	790,480	1,277,020	486,540	592,860	75%
Total Extraordinary Expenses	197,620	638,510	440,890	790,480	1,277,020	486,540	592,860	75%
Total Expenses	8,073,100	9,403,885	1,330,785	18,193,177	19,139,562	946,385	10,120,077	②
Net Income	445,002	(1,957,311)	2,402,313	(1,790,200)	(2,795,837)	1,005,637	(2,235,202)	③
Cash Flow Adjustments	7,143	-	7,143	0	-	0	(7,143)	④
Change in Cash	452,144	(1,957,311)	2,409,455	(1,790,200)	(2,795,837)	1,005,637	(2,242,345)	⑤

① REVENUE: \$59K AHEAD

② EXPENSES: \$946K AHEAD

③ NET INCOME: \$1M ahead

④ CASH ADJ: \$0K AHEAD

⑤ NET CHANGE IN CASH: \$1M 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	129,418	79,837	109,750	109,750	109,750	109,750	109,750	109,750	1,323,780
State Revenue	1,007,545	1,020,143	965,062	980,404	1,006,700	1,077,881	973,425	973,425	973,425	973,425	973,425	973,425	11,898,286
Federal Revenue	56,562	5,302	260,537	76,212	371,019	395,923	137,245	137,245	137,245	137,245	137,245	137,245	1,989,024
Private Grants and Donations	1,000	0	135,000	0	4,330	0	92,445	92,445	92,445	92,445	92,445	92,445	695,000
Earned Fees	332,630	117,654	32,892	5,677	350	0	1,280	1,280	1,280	1,280	1,280	1,280	496,885
Total Revenue	1,552,478	1,254,622	1,490,709	1,154,835	1,511,817	1,553,642	1,314,146	1,314,146	1,314,146	1,314,146	1,314,146	1,314,146	16,402,977
Expenses													
Salaries	505,770	565,535	646,710	572,403	544,237	577,440	545,095	545,095	545,095	545,095	545,095	545,095	6,682,669
Benefits and Taxes	147,963	149,600	183,812	162,534	152,986	157,240	167,479	167,479	167,479	167,479	167,479	167,479	1,959,006
Staff-Related Costs	6,139	552	125,033	-46,855	3,016	5,329	5,229	5,229	5,229	5,229	5,229	5,229	124,590
Occupancy Service	119,747	87,951	144,300	156,839	118,329	160,070	138,251	138,251	138,251	138,251	138,251	138,251	1,616,743
Student Expense, Direct	63,509	182,231	108,201	65,282	100,404	264,391	113,620	113,620	113,620	113,620	113,620	113,620	1,465,736
Student Expense, Food	56,078	0	0	34,804	0	0	109,853	109,853	109,853	109,853	109,853	109,853	750,000
Office & Business Expense	61,486	569,695	200,386	40,593	365,079	209,678	406,468	406,468	406,468	406,468	406,468	406,468	3,885,722
Transportation	2,155	0	8,470	46,579	0	249,777	101,875	101,875	101,875	101,875	101,875	101,875	918,231
Total Ordinary Expenses	962,848	1,555,565	1,416,912	1,032,179	1,284,051	1,623,925	1,587,869	1,587,869	1,587,869	1,587,869	1,587,869	1,587,869	17,402,697
Operating Income	589,630	-300,943	73,796	122,655	227,766	-70,283	-273,724	-273,724	-273,724	-273,724	-273,724	-273,724	-999,720
Extraordinary Expenses													
Interest	0	0	0	197,620	0	0	98,810	98,810	98,810	98,810	98,810	98,810	790,480
Total Extraordinary Expenses	0	0	0	197,620	0	0	98,810	98,810	98,810	98,810	98,810	98,810	790,480
Total Expenses	962,848	1,555,565	1,416,912	1,229,799	1,284,051	1,623,925	1,686,679	1,686,679	1,686,679	1,686,679	1,686,679	1,686,679	18,193,177
Net Income	589,630	-300,943	73,796	-74,964	227,766	-70,283	-372,534	-372,534	-372,534	-372,534	-372,534	-372,534	-1,790,200
Cash Flow Adjustments	852	6,716	12,218	-135	-11,296	-1,213	-1,190	-1,190	-1,190	-1,190	-1,190	-1,190	0
Change in Cash	590,482	-294,227	86,014	-75,099	216,469	-71,495	-373,724	-373,724	-373,724	-373,724	-373,724	-373,724	-1,790,200
Ending Cash	12,095,269	11,801,043	11,887,057	11,811,958	12,028,427	11,956,932	11,583,208	11,209,484	10,835,760	10,462,035	10,088,311	9,714,587	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
Assets			
Current Assets			
Cash	11,504,787	11,956,932	9,714,587
Total Current Assets	11,504,787	11,956,932	9,714,587
Total Assets	11,504,787	11,956,932	9,714,587
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-6,697	445	-6,697
Total Current Liabilities	-6,697	445	-6,697
Total Long-Term Liabilities	0	0	
Total Liabilities	-6,697	445	-6,697
Equity			
Unrestricted Net Assets	11,511,484	11,511,484	11,511,484
Net Income	0	445,002	-1,790,200
Total Equity	11,511,484	11,956,486	9,721,284
Total Liabilities and Equity	11,504,787	11,956,932	9,714,587
** 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 11/30/24. Loan payments are made quarterly.



QUESTIONS?

Please contact your EdOps Finance Team:

Jamie Berry

jamie@ed-ops.com

816-444-1530

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