

**HOGAN**  
PREP ACADEMY



# August 2025 Financials

PREPARED SEP'25 BY

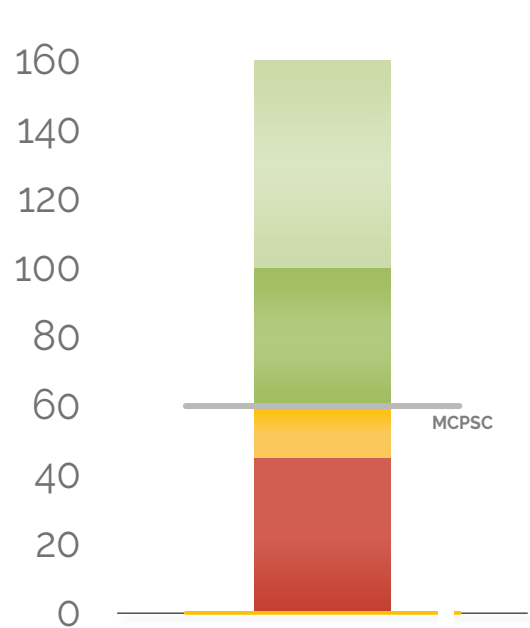


- **Executive Summary**
- **Cash Forecast**
- **New Funding Formula Terminology**
- **Appendix**

- Based on August 2025 financial data, HPA's forecast for FY26 year-end cash projection is \$9.29m, representing 202 days of cash on hand.
- Given the current enrollment, it is likely that state aid forecast change is needed. Once enrollment is finalized, we will work with the team to make corresponding expense cuts so budget will perform as expected. More details to follow next month.
- The school will continue to monitor these metrics closely to ensure it remains on track with its financial goals.

## Days of Cash

Cash balance at year-end divided by average daily expenses

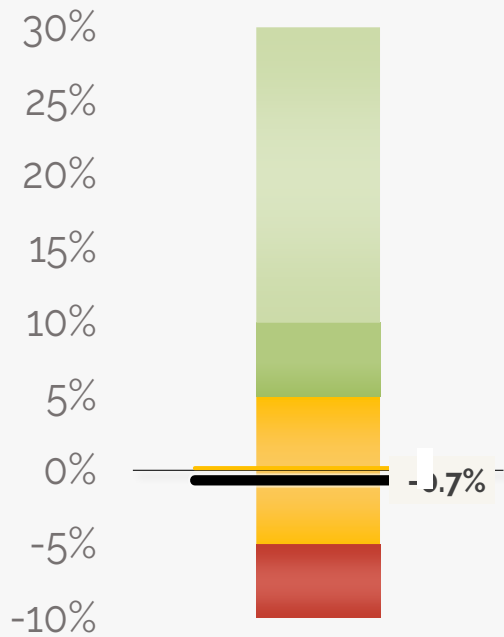


### 202 DAYS OF CASH AT YEAR'S END

The school will end the year with 202 days of cash. This is above the recommended 60 days

## Gross Margin

Revenue less expenses, divided by revenue

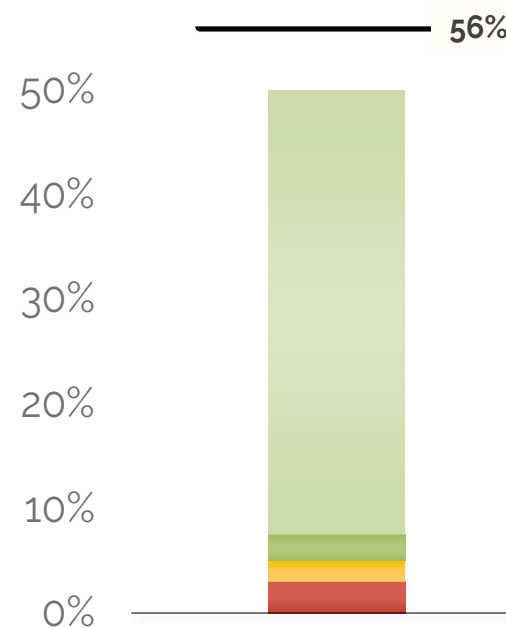


### -0.7% GROSS MARGIN

The forecasted net income is -\$113k, which is \$137k below the budget. It yields a -0.7% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

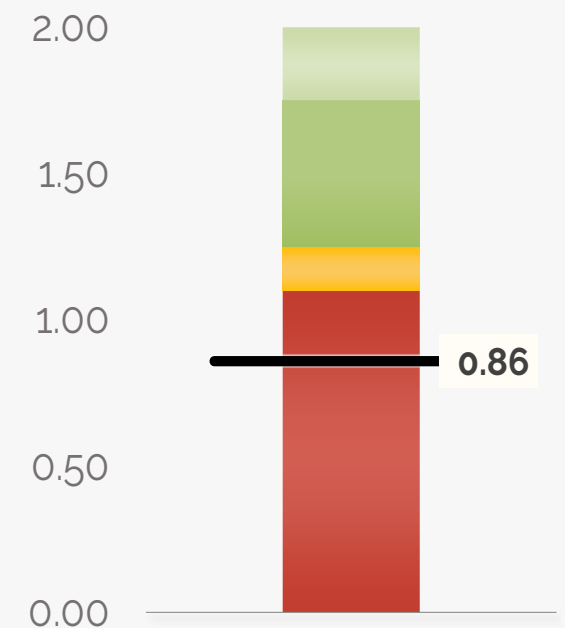


### 56.07% AT YEAR'S END

The school is projected to end the year with a fund balance of \$9,410,572. Last year's fund balance was \$9,523,807.

## DSCR

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



### DSCR IS .86

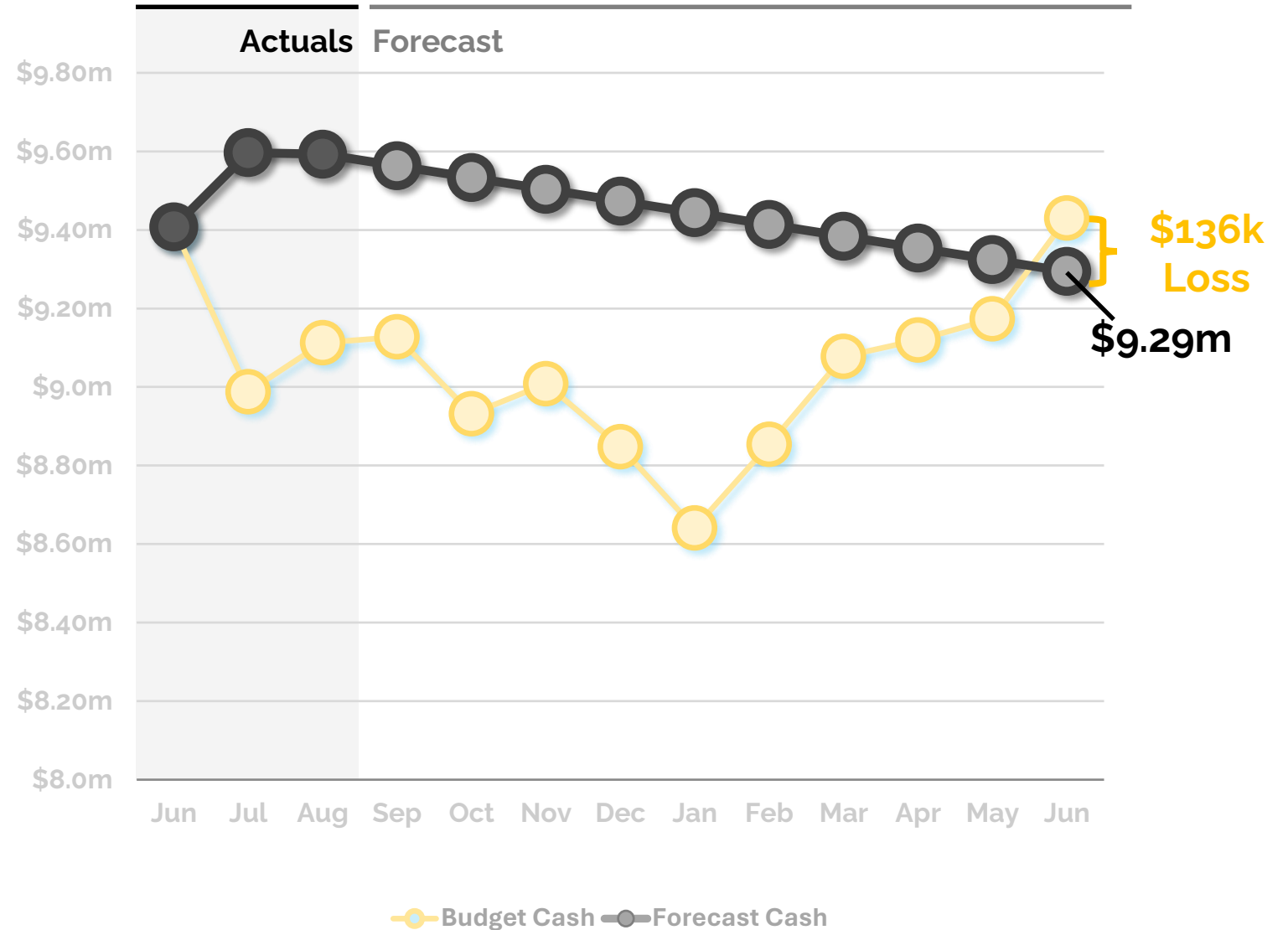
Debt Service Coverage Ratio is defined by the school's bank covenants.

- SB727, passed in 2024, is being implemented in FY26.
- This legislation calls for a phase-in of using school membership to calculate basic formula funding.
- Instead of WADA, the term is now called Combined WAM WADA(CWW), which refers to Combined Weighted Average Membership and Average Daily Attendance.
- FY26 Phase-In is 10%. It will increase 10% every year until membership counts towards 50% of the formula.
- While this will increase the unit that drives funding by school, it also increases for Kansas City Public Schools. As their CWW is the denominator in the funding equity formula, per pupil funding will go down in future years.

## 202 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$9.3m**, **\$136k** below budget.

The reduction in Cash is mostly due to additional positions not initially in the budget.



	Year-To-Date			Annual Forecast				
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining	Rem %
<b>Revenue</b>								
Local Revenue	204,246	227,534	(23,288)	1,192,130	1,192,130	0	987,885	83%
State Revenue	1,994,380	1,956,104	38,275	13,726,003	13,725,788	215	11,731,623	85%
Federal Revenue	52,754	-	52,754	1,685,116	1,685,116	(0)	1,632,361	97%
Private Grants and Donations	11,000	-	11,000	11,000	-	11,000	-	0%
Earned Fees	36,721	3,167	33,554	55,721	19,000	36,721	19,000	34%
<b>Total Revenue</b>	<b>2,299,100</b>	<b>2,186,804</b>	<b>112,296</b>	<b>16,669,969</b>	<b>16,622,034</b>	<b>47,936</b>	<b>14,370,869</b>	
<b>Expenses</b>								
Salaries	1,100,513	1,081,060	(19,453)	6,646,392	6,486,361	(160,031)	5,545,879	83%
Benefits and Taxes	293,661	318,181	24,521	1,916,617	1,909,088	(7,529)	1,622,957	85%
Staff-Related Costs	13,679	15,217	1,538	91,300	91,300	0	77,621	85%
Occupancy Service	242,044	264,067	22,022	1,584,399	1,584,399	0	1,342,355	85%
Student Expense, Direct	228,287	253,657	25,370	1,537,674	1,521,940	(15,734)	1,309,387	85%
Student Expense, Food	-	-	-	700,000	700,000	-	700,000	100%
Office & Business Expense	224,170	415,091	190,921	2,491,822	2,490,544	(1,278)	2,267,652	91%
Transportation	33,656	-	(33,656)	1,015,000	1,015,000	0	981,344	97%
Total Ordinary Expenses	2,136,010	2,347,272	211,262	15,983,204	15,798,632	(184,572)	13,847,195	87%
Interest	-	133,333	133,333	800,000	800,000	(0)	800,000	100%
Facility Improvements	5,500	-	(5,500)	-	-	-	(5,500)	
Total Extraordinary Expenses	5,500	133,333	127,833	800,000	800,000	(0)	794,500	99%
<b>Total Expenses</b>	<b>2,141,510</b>	<b>2,480,605</b>	<b>339,096</b>	<b>16,783,204</b>	<b>16,598,632</b>	<b>(184,572)</b>	<b>14,641,695</b>	
<b>Net Income</b>	<b>157,590</b>	<b>(293,801)</b>	<b>451,391</b>	<b>(113,235)</b>	<b>23,402</b>	<b>(136,636)</b>	<b>(270,825)</b>	
<b>Cash Flow Adjustments</b>	<b>27,926</b>	<b>-</b>	<b>27,926</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>(27,926)</b>	
<b>Change in Cash</b>	<b>185,516</b>	<b>(293,801)</b>	<b>479,317</b>	<b>(113,235)</b>	<b>23,402</b>	<b>(136,636)</b>	<b>(298,751)</b>	

# Monthly Financials

Income Statement	Actual		Forecast										TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<b>Revenue</b>													
Local Revenue	102,830	101,416	98,788	98,788	98,788	98,788	98,788	98,788	98,788	98,788	98,788	98,788	1,192,130
State Revenue	1,009,156	985,223	1,173,162	1,173,162	1,173,162	1,173,162	1,173,162	1,173,162	1,173,162	1,173,162	1,173,162	1,173,162	13,726,003
Federal Revenue	4,054	48,700	163,236	163,236	163,236	163,236	163,236	163,236	163,236	163,236	163,236	163,236	1,685,116
Private Grants and Donations	1,000	10,000	0	0	0	0	0	0	0	0	0	0	11,000
Earned Fees	36,924	-203	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	55,721
<b>Total Revenue</b>	<b>1,153,964</b>	<b>1,145,136</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>1,437,087</b>	<b>16,669,969</b>
<b>Expenses</b>													
Salaries	568,978	531,536	554,588	554,588	554,588	554,588	554,588	554,588	554,588	554,588	554,588	554,588	6,646,392
Benefits and Taxes	152,761	140,900	162,296	162,296	162,296	162,296	162,296	162,296	162,296	162,296	162,296	162,296	1,916,617
Staff-Related Costs	5,850	7,829	7,762	7,762	7,762	7,762	7,762	7,762	7,762	7,762	7,762	7,762	91,300
Occupancy Service	82,381	159,663	134,235	134,235	134,235	134,235	134,235	134,235	134,235	134,235	134,235	134,235	1,584,399
Student Expense, Direct	114,338	113,949	130,939	130,939	130,939	130,939	130,939	130,939	130,939	130,939	130,939	130,939	1,537,674
Student Expense, Food	0	0	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	700,000
Office & Business Expense	25,345	198,825	226,765	226,765	226,765	226,765	226,765	226,765	226,765	226,765	226,765	226,765	2,491,822
Transportation	33,656	0	98,134	98,134	98,134	98,134	98,134	98,134	98,134	98,134	98,134	98,134	1,015,000
Total Ordinary Expenses	983,308	1,152,702	1,384,719	1,384,719	1,384,719	1,384,719	1,384,719	1,384,719	1,384,719	1,384,719	1,384,719	1,384,719	15,983,204
Operating Income	170,657	-7,566	52,367	52,367	52,367	52,367	52,367	52,367	52,367	52,367	52,367	52,367	686,765
<b>Extraordinary Expenses</b>													
Interest	0	0	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	800,000
Facility Improvements	0	5,500	-550	-550	-550	-550	-550	-550	-550	-550	-550	-550	0
Total Extraordinary Expenses	0	5,500	79,450	79,450	79,450	79,450	79,450	79,450	79,450	79,450	79,450	79,450	800,000
<b>Total Expenses</b>	<b>983,308</b>	<b>1,158,202</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>1,464,169</b>	<b>16,783,204</b>
<b>Net Income</b>	<b>170,657</b>	<b>-13,066</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-27,083</b>	<b>-113,235</b>
Cash Flow Adjustments	18,541	9,385	-2,793	-2,793	-2,793	-2,793	-2,793	-2,793	-2,793	-2,793	-2,793	-2,793	0
<b>Change in Cash</b>	<b>189,197</b>	<b>-3,681</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-29,875</b>	<b>-113,235</b>
Ending Cash	9,596,656	9,592,975	9,563,099	9,533,224	9,503,349	9,473,474	9,443,599	9,413,724	9,383,849	9,353,974	9,324,099	9,294,224	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
<b>Assets</b>			
Current Assets			
Cash	9,407,458	9,592,975	9,294,224
Total Current Assets	9,407,458	9,592,975	9,294,224
<b>Total Assets</b>	<b>9,407,458</b>	<b>9,592,975</b>	<b>9,294,224</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	-116,349	-88,423	-116,349
Total Current Liabilities	-116,349	-88,423	-116,349
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>-116,349</b>	<b>-88,423</b>	<b>-116,349</b>
<b>Equity</b>			
Unrestricted Net Assets	9,523,807	9,523,807	9,523,807
Net Income	0	157,590	-113,235
<b>Total Equity</b>	<b>9,523,807</b>	<b>9,681,397</b>	<b>9,410,572</b>
<b>Total Liabilities and Equity</b>	<b>9,407,458</b>	<b>9,592,975</b>	<b>9,294,224</b>



# QUESTIONS?

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