HOGAN
PREP ACADEMY

May 2026 Financials

PREPARED **JUN'26** BY

EDOPS

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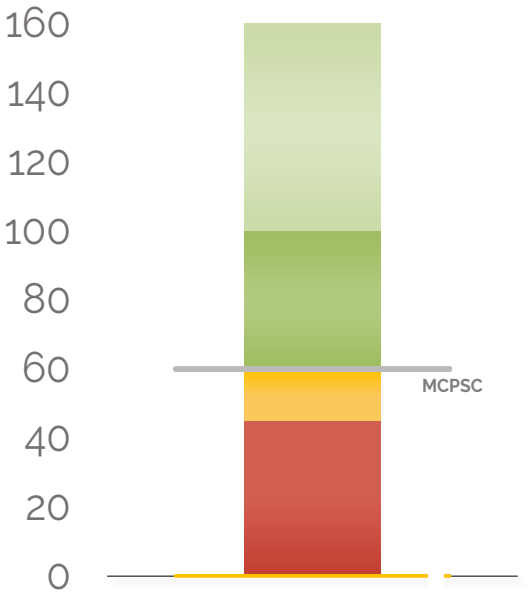
Executive Summary

- Hogan's financial health remains strong as evidenced by 191 days of cash and 53% fund balance as we head into FY27.
- The FY26 net income projection has stabilized over the past month at $-708k, providing confidence in our fiscal resilience; furthermore, most of the deficit is driven by the prior year correction, alongside rising transportation and SPED costs that have impacted the entire charter ecosystem this fiscal year.
- Hogan's strong financial foundation heading into FY27 will help cushion the transition to grades 5-12 school and the recent DESE decision regarding PreK-4 reduction to state aid, though achieving a balanced budget in FY28 will require subsequent enrollment growth or expenditure adjustments.

Key Performance Indicators

Days of Cash

Cash balance at year-end divided by average daily expenses

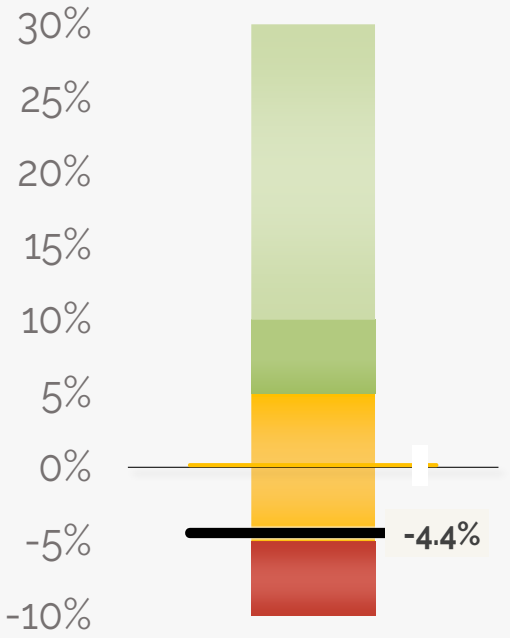


191 DAYS OF CASH AT YEAR'S END

The school will end the year with 191 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

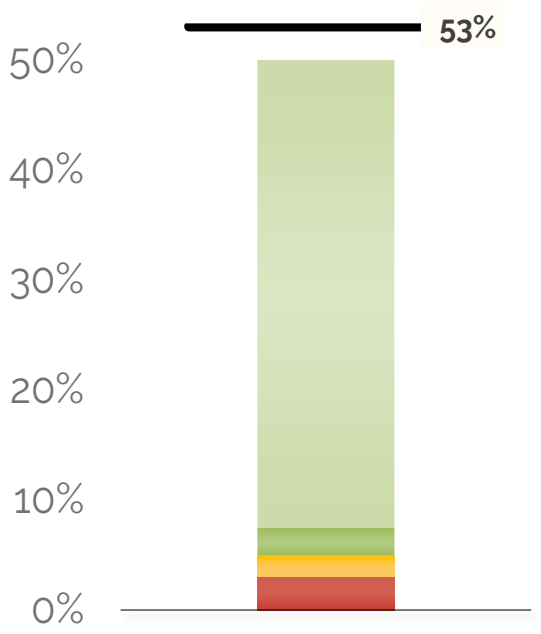


-4.4% GROSS MARGIN

The forecasted net income is -$708k, which is $731k below the budget. It yields a -4.4% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

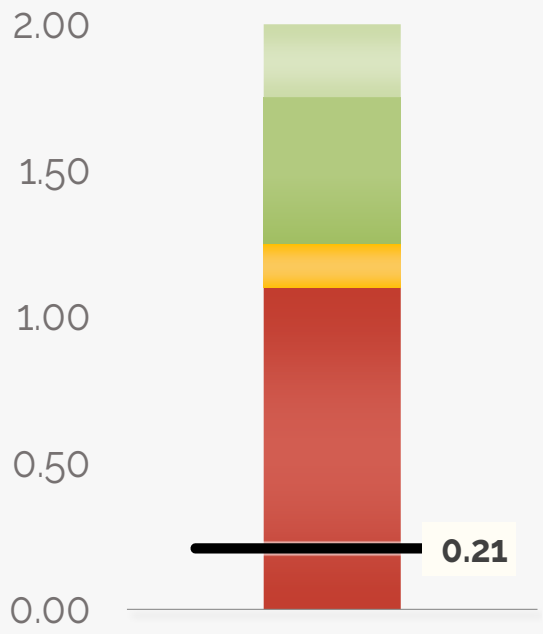


53.06% AT YEAR'S END

The school is projected to end the year with a fund balance of $8,816,165. Last year's fund balance was $9,523,807.

DSCR

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



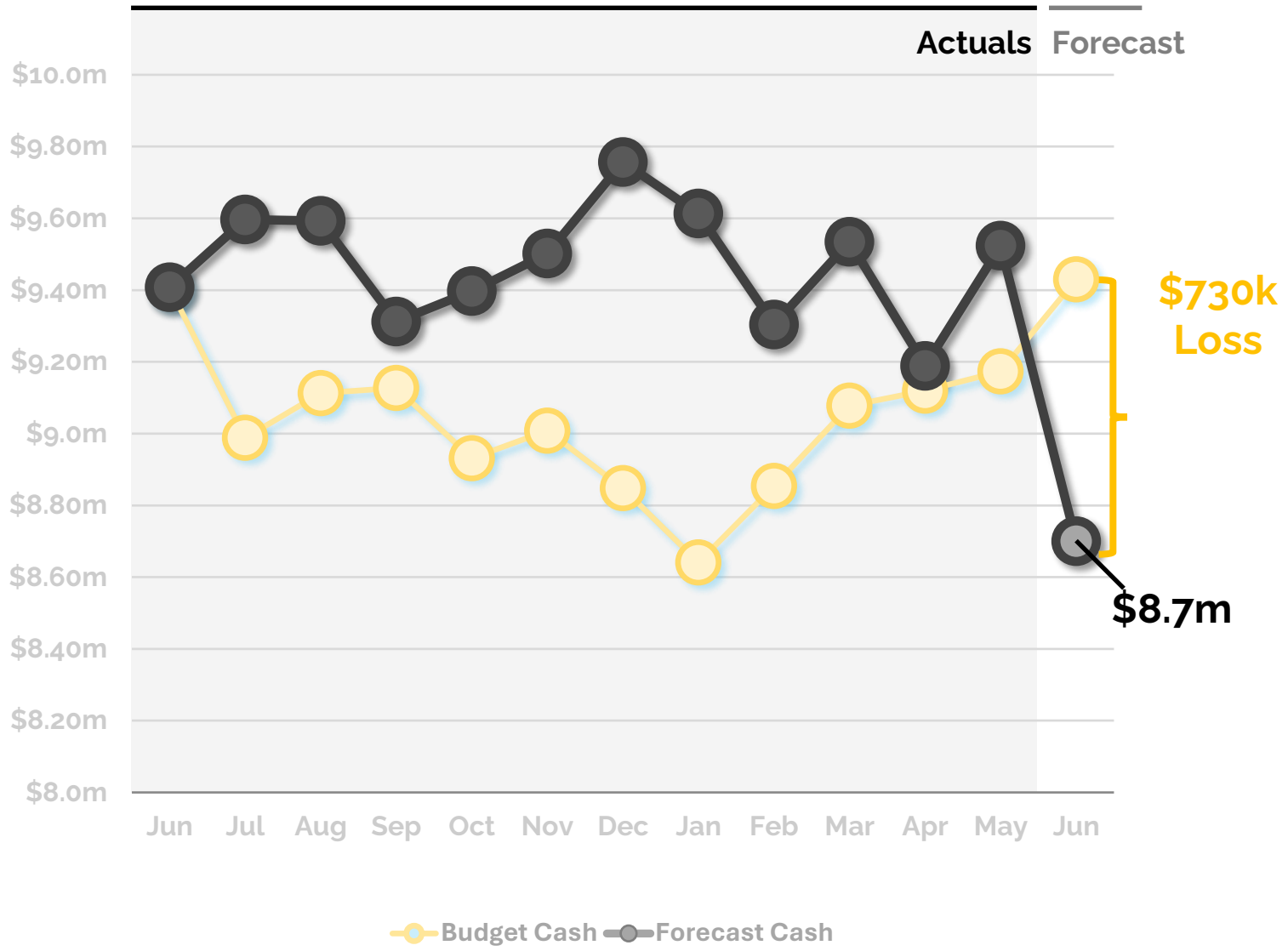
DSCR IS .21

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

Cash Forecast

191 Days of Cash at year's end

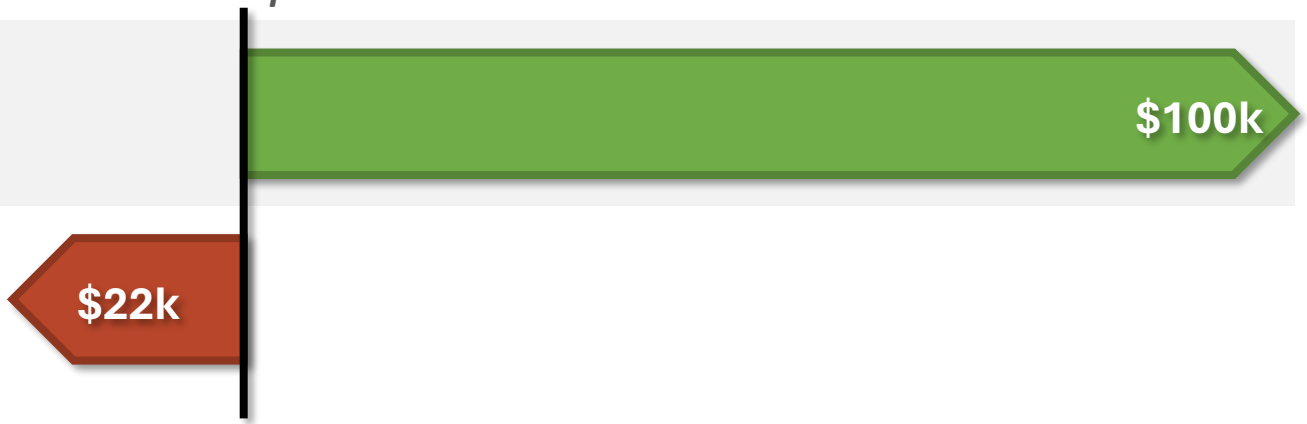
We forecast the school's year ending cash balance as **$8.7m**, **$730k** below budget.



Key Forecast Changes This Month

The May forecast increased the year-end cash expectation by $3k. Key revenue changes:

Annual Change	*Category*
100,000 more cash	**Private Grants and Donations** Philanthropy Grant
21,997 less cash	**Earned Fees** UHC Discount moved to Balance Sheet Liability Account



Key Forecast Changes This Month (2/3)

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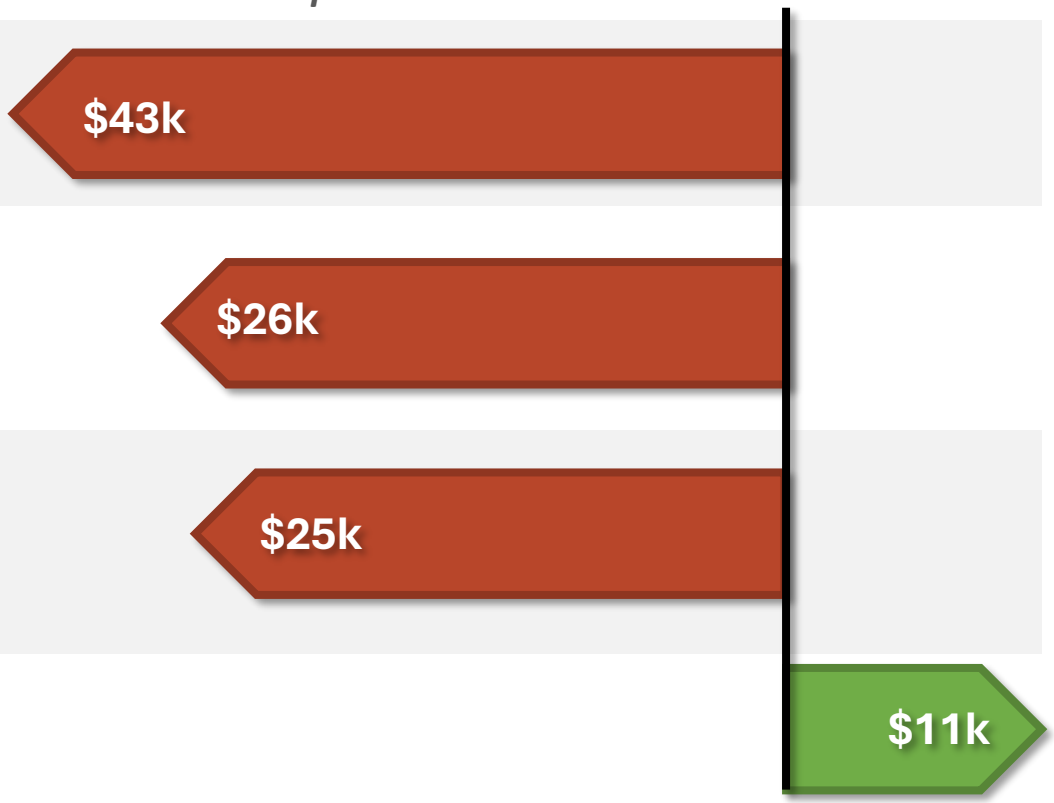
The May forecast increased the year-end cash expectation by $3k. Key expense changes:

Annual Change	*Category*
42,981 less cash	**Salaries** Supplemental Pay approved by board
25,965 less cash	**Student Expense, Direct** Expenses with no forecast; Category is preforming well.
24,665 less cash	**Occupancy Service** Security exceeded the budget; R&M has not forecast remaining.
10,702 more cash	**Benefits and Taxes** Expenses came in less than forecast.



Annotated Financials

	Year-To-Date			Annual Forecast				
	Actual	*Budget*	*Variance*	*Forecast*	*Budget*	*Variance*	*Remaining*	*Rem %*
Revenue								
Local Revenue	1,198,396	1,085,072	113,324	1,261,301	1,192,130	69,171	62,905	5%
State Revenue	11,096,393	12,374,768	(1,278,375)	12,121,985	13,725,788	(1,603,803)	1,025,591	8%
Federal Revenue	1,842,984	1,476,310	366,674	2,281,132	1,685,116	596,016	438,147	19%
Private Grants and Donations	180,900	-	180,900	180,900	-	180,900	-	0%
Earned Fees	59,977	17,417	42,560	63,735	19,000	44,735	3,758	6%
Total Revenue	**14,378,650**	**14,953,566**	**(574,916)**	**15,909,052**	**16,622,034**	**(712,981)**	**1,530,402**	
Expenses								
Salaries	5,849,238	5,945,831	96,593	6,328,613	6,486,361	157,748	479,375	8%
Benefits and Taxes	1,666,795	1,749,997	83,203	1,812,125	1,909,088	96,963	145,330	8%
Staff-Related Costs	49,272	83,692	34,419	53,347	91,300	37,953	4,075	8%
Occupancy Service	1,493,944	1,452,366	(41,578)	1,594,702	1,584,399	(10,303)	100,758	6%
Student Expense, Direct	1,475,265	1,395,112	(80,153)	1,663,500	1,521,940	(141,560)	188,235	11%
Student Expense, Food	549,756	630,000	80,244	706,904	700,000	(6,904)	157,148	22%
Office & Business Expense	1,926,613	2,282,999	356,386	2,405,207	2,490,544	85,337	478,594	20%
Transportation	755,776	913,500	157,724	1,178,000	1,015,000	(163,000)	422,224	36%
Total Ordinary Expenses	13,766,658	14,453,496	686,838	15,742,398	15,798,632	56,234	1,975,739	13%
Interest	562,505	733,333	170,828	800,000	800,000	(0)	237,495	30%
Total Extraordinary Expenses	636,802	733,333	96,532	874,297	800,000	(74,297)	237,495	27%
Total Expenses	**14,403,460**	**15,186,829**	**783,369**	**16,616,695**	**16,598,632**	**(18,063)**	**2,213,234**	
Net Income	**(24,810)**	**(233,263)**	**208,453**	**(707,642)**	**23,402**	**(731,044)**	**(682,833)**	
Cash Flow Adjustments	**140,888**	**-**	**140,888**	**0**	**-**	**0**	**(140,888)**	
Change in Cash	**116,078**	**(233,263)**	**349,341**	**(707,642)**	**23,402**	**(731,044)**	**(823,720)**	

Monthly Financials

	Actual											Forecast	
Income Statement	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*TOTAL*
Revenue													
Local Revenue	102,830	101,416	102,016	101,219	118,269	147,285	105,052	104,816	105,243	105,051	105,198	62,905	1,261,301
State Revenue	1,009,156	985,223	1,012,142	1,019,049	1,195,476	1,026,191	953,091	925,531	976,526	942,020	1,051,987	1,025,591	12,121,985
Federal Revenue	4,054	48,700	79,582	216,907	441,239	235,190	206,104	88,625	355,850	95,792	70,941	438,147	2,281,132
Private Grants and Donations	1,000	10,000	1,400	24,250	0	0	0	12,125	20,000	12,125	100,000	0	180,900
Earned Fees	36,924	-203	10,278	4,242	0	25	0	65	0	883	7,763	3,758	63,735
Total Revenue	**1,153,964**	**1,145,136**	**1,205,418**	**1,365,668**	**1,754,984**	**1,408,691**	**1,264,247**	**1,131,162**	**1,457,620**	**1,155,872**	**1,335,889**	**1,530,402**	**15,909,052**
Expenses													
Salaries	568,978	531,536	612,974	521,809	529,376	555,174	496,747	487,812	514,974	510,954	518,906	479,375	6,328,613
Benefits and Taxes	152,761	140,900	165,123	151,590	159,964	157,400	144,457	147,841	150,424	152,564	143,771	145,330	1,812,125
Staff-Related Costs	1,998	7,829	7,763	1,940	2,131	4,920	2,587	1,263	4,415	9,887	4,540	4,075	53,347
Occupancy Service	82,381	159,663	127,615	123,256	294,065	122,133	121,146	113,859	85,728	141,119	122,978	100,758	1,594,702
Student Expense, Direct	118,190	113,949	119,170	108,250	163,622	126,445	112,385	276,673	92,313	141,847	102,421	188,235	1,663,500
Student Expense, Food	0	0	8,651	68,534	0	25,681	79,704	182,876	5,820	117,810	60,680	157,148	706,904
Office & Business Expense	25,345	198,825	361,021	70,118	371,292	65,039	342,714	67,241	44,554	330,850	49,615	478,594	2,405,207
Transportation	33,656	0	68,818	32	141,344	150,233	102,309	47	132,405	126,915	17	422,224	1,178,000
Total Ordinary Expenses	983,308	1,152,702	1,471,135	1,045,531	1,661,794	1,207,024	1,402,048	1,277,612	1,030,633	1,531,945	1,002,928	1,975,739	15,742,398
Operating Income	170,657	-7,566	-265,717	320,137	93,190	201,667	-137,800	-146,450	426,987	-376,073	332,961	-445,338	166,654
Extraordinary Expenses													
Interest	0	0	0	187,502	0	0	0	187,502	187,502	0	0	237,495	800,000
Facility Improvements	0	5,500	5,500	47,778	0	6,200	0	0	9,318	0	0	0	74,297
Total Extraordinary Expenses	0	5,500	5,500	235,280	0	6,200	0	187,502	196,820	0	0	237,495	874,297
Total Expenses	**983,308**	**1,158,202**	**1,476,635**	**1,280,811**	**1,661,794**	**1,213,224**	**1,402,048**	**1,465,114**	**1,227,453**	**1,531,945**	**1,002,928**	**2,213,234**	**16,616,695**
Net Income	**170,657**	**-13,066**	**-271,217**	**84,857**	**93,190**	**195,467**	**-137,800**	**-333,951**	**230,167**	**-376,073**	**332,961**	**-682,833**	**-707,642**
Cash Flow Adjustments	18,541	9,385	-9,361	-243	11,402	59,931	-6,127	25,010	321	30,198	1,831	-140,888	0
Change in Cash	**189,197**	**-3,681**	**-280,578**	**84,614**	**104,593**	**255,398**	**-143,927**	**-308,942**	**230,488**	**-345,875**	**334,792**	**-823,720**	**-707,642**
Ending Cash	9,596,656	9,592,975	9,312,397	9,397,011	9,501,603	9,757,001	9,613,074	9,304,132	9,534,620	9,188,745	9,523,536	8,699,816	

Balance Sheet

	Previous Year End	*Current*	*Year End*
Assets			
Current Assets			
Cash	9,407,458	9,637,866	8,699,816
Total Current Assets	9,407,458	9,637,866	8,699,816
Total Assets	**9,407,458**	**9,637,866**	**8,699,816**
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-116,349	24,539	-116,349
Total Current Liabilities	-116,349	24,539	-116,349
Total Long-Term Liabilities	0	0	
Total Liabilities	**-116,349**	**24,539**	**-116,349**
Equity			
Unrestricted Net Assets	9,523,807	9,638,136	9,638,136
Net Income	0	-24,810	-707,642
Total Equity	**9,523,807**	**9,613,327**	**8,930,494**
Total Liabilities and Equity	**9,407,458**	**9,637,866**	**8,814,145**

FY27 Budget Strategy

- State Aid has been projected at $15,150 per Combined WAM_WADA (CWW). This projection is based on one number we know is true, Local Aid, and one number, which we are less sure of, KCPS WAM WADA. Based on data submitted by KCPS to DESE, this projection appears conservative and allows room for a prior year correction.
- DESE's late-breaking decision reduces CWW from 819 to 603, creating a $3.2m impact. The timing of DESE's notification limits near-term options to achieve a balanced budget. Given the school's firm financial foundation and the many moving pieces in place associated with becoming a 5-12 school, the core budget structure presented in May is being maintained.
- FY27 Budget Strategy is thus driven from a commitment to serve Middle School and High School students with the core program in place. We will use Q1FY27 to develop possible scenarios for a structurally sound and sustainable budget in FY28.

FY27 Budget

FY26 Projections vs. FY27 Budget				Grade: 5-12				Explanation of change for FY27 Budget
		FY26 Budget	FY26 May Forecast	FY27	*Proforma 5-12 updated on 1/9/26*	$	%	
$/CWW				$15,150				
CWW				603.69				FY27 Budget is using FY25 FCWW
Revenue:								
	Local Revenue	1,192,130	1,261,301	$1,179,136	*$1,092,540*	-$82,165	-6.51%	
	State Revenue	13,725,788	12,121,985	$9,458,657	*$12,973,204*	-$2,663,328	-21.97%	
	Federal Revenue	1,685,116	2,281,132	$1,376,500	*$1,429,664*	-$904,632	-39.66%	
	Private Grants and Donations	-	180,900		*$0*	-$180,900	-100.00%	
	Earned Fees	19,000	63,735	$478,924	*$0*	$415,189	651.43%	
Total Revenue:		16,622,034	15,909,053	$12,493,217	*$15,495,408*	-$3,415,836	-21.47%	
Expense:								
	Salaries	$6,486,361	$6,328,613	$ 4,817,437	*$4,514,746*	-$1,511,176	-23.88%	decrease in salaries with drop in staff
	Benefits and Taxes	$1,909,088	$1,812,125	$ 1,403,364	*$1,350,233*	-$408,761	-22.56%	decrease in benefits with drop in staff
	Staff-Related Costs	$91,300	$53,347	$ 57,539	*$75,000*	$4,192	7.29%	decrease in staff-related costs with drop in staff
	Rent	$0	$0	$ -	*$0*	$0	#DIV/0!	N/A
	Occupancy Service	$1,584,399	$1,594,702	$ 1,489,130	*$1,642,711*	-$105,572	-7.09%	3% inflation
	Student Expense, Direct	$1,521,940	$1,663,500	$ 1,091,901	*$841,024*	-$571,599	-52.35%	Decrease of ES students with 3% increase to all other cost items.
	Student Expense, Food	$700,000	$706,904	$ 430,994	*$424,509*	-$275,910	-64.02%	Decrease in food services with drop in students
	Office & Business Expense	$2,490,544	$2,405,207	$ 2,023,220	*$2,477,449*	-$381,987	-18.88%	Decrease in Office & Business due to revenue decrease
	Transportation	$1,015,000	$1,178,000	$ 781,383	*$609,000*	-$396,617	-50.76%	Decrease in transportation with drop in students
	Extraordinary Expenses	$800,000	$874,297	$ 959,000	*$674,860*	$84,703	8.83%	Security gate & misc loan/attorney fees addition and 3% inflation
Total Expense:		$16,598,632	$16,616,695	$ 13,053,968	*$12,609,532*	-$3,562,727	-21.44%	
	Net Income/YTD Fund Bal.	23,402	-707,642	-$560,751	*$2,885,876*	$146,891	-0.03%	
	Start of Year Cash Balance	9,407,458	9,407,458	8,699,816	*8,820,560*			
	End of Year Cash Balance	9,430,860	8,699,816	$8,139,065	*$11,706,436*			
	YTD Fund Balance	0.14%	-4.26%	-4.30%	*22.89%*			
	Operational Reserves	56.82%	52.36%	62.35%	*92.84%*			
	Days of Cash	207	191	228	*339*			

QUESTIONS?

Please contact your EdOps Finance Team:

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