



January 2024 Financials

PREPARED FEB'24 BY



- **Executive Summary**
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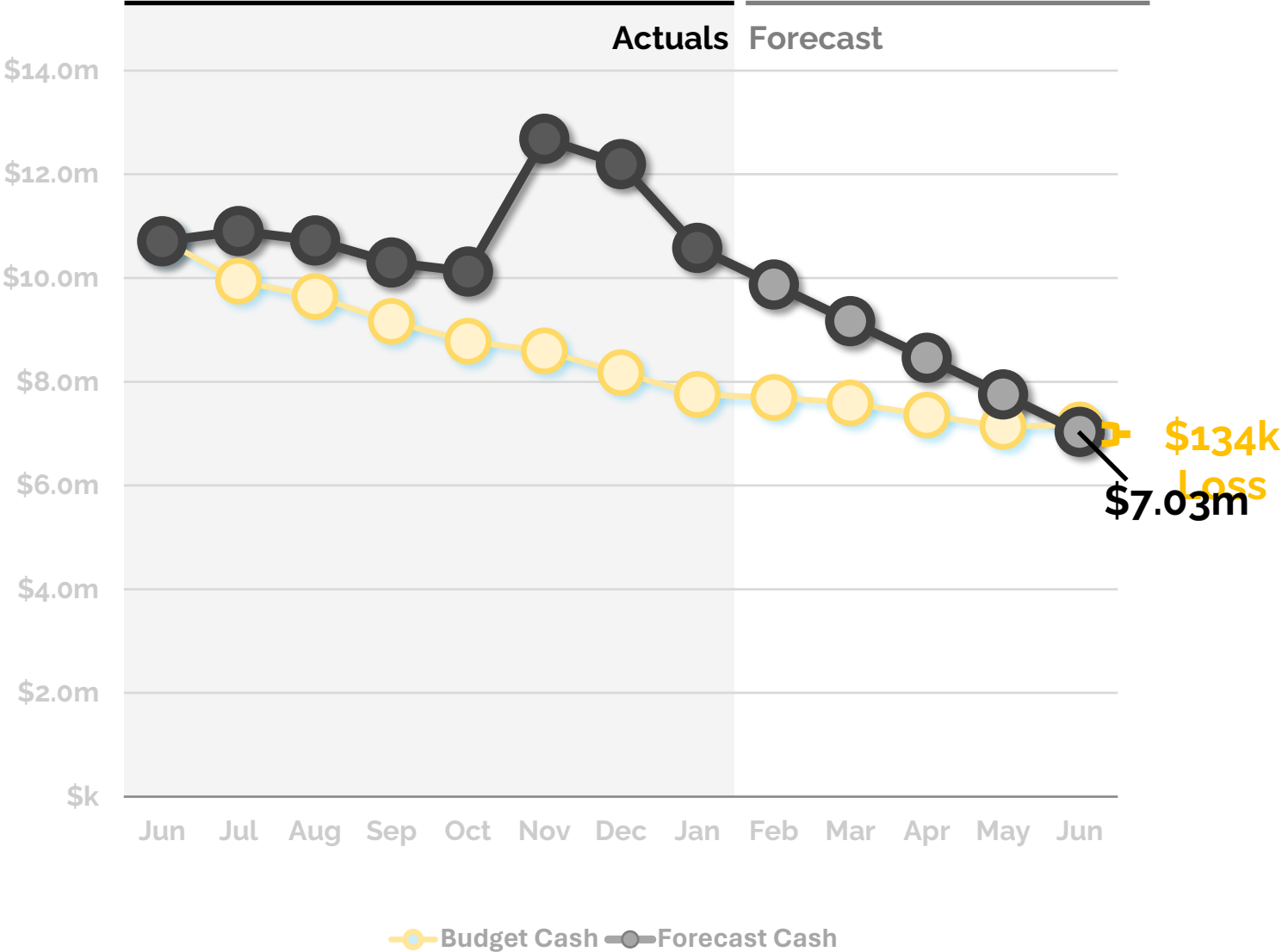
- HPA ends 01/24 with a projected YE cash balance of \$7M, \$134k below the original budget.
 - Note: this includes a \$1.5M 'reserve' for a potential legal settlement payout. Should that not occur, the \$1.5M would return to the bottom-line, greatly improving our YE cash balance.
- Revenue: As noted previously, State revenue is \$1.6M less than anticipated due to actual vs. budgeted enrollment and attendance. Total revenue is projected at \$1.5M as a result of using prior year WADA.
- Expenses:
 - We are currently showing total expenses coming in \$1.4M under budget for the full year. However, we have a few expense categories which need to have their full year forecast revised. These categories (janitorial services, security, electricity, and a few others) are running way ahead of budget.

- Expenses:
 - The Phalen/HPA/EdOps team met earlier this month and are currently doing a complete expense review to see if there are excess funds in some expense categories which can be re-allocated to cover those areas where we are over.
 - Using this information, we will be doing a full year forecast update with the 02/24 financials to be presented in March. At that time, we will also provide a summary of the major changes impacting the revised year end outlook.

131 Days of Cash at year's end

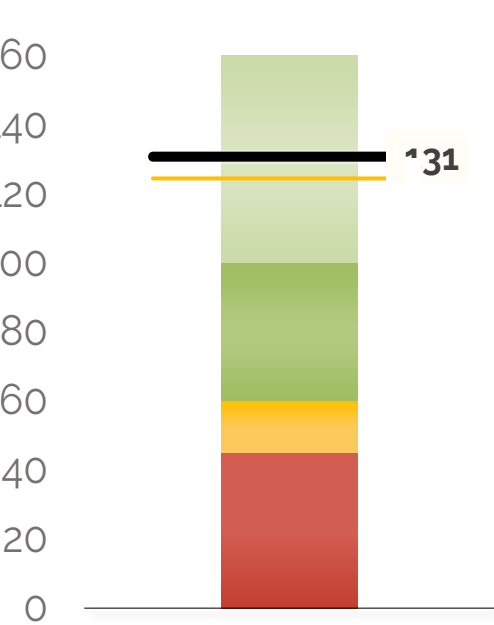
We forecast the school's year ending cash balance as **\$7m**, **\$134k** below budget.

Note: If we do not spend the \$1.5M set aside for a potential legal settlement, YE cash will increase to \$8.53M.



Days of Cash

Cash balance at year-end divided by average daily expenses

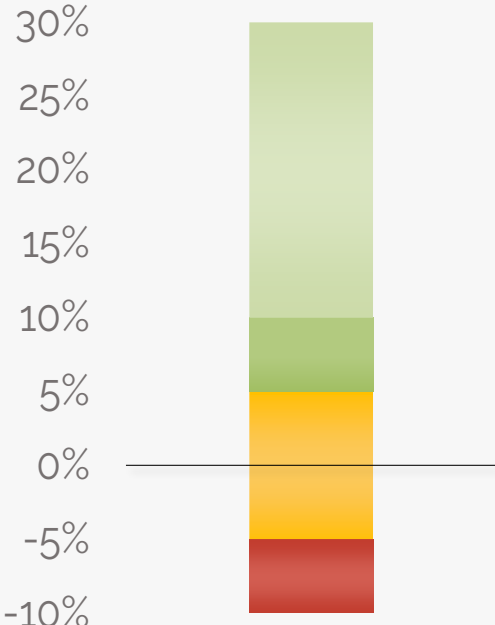


131 DAYS OF CASH AT YEAR'S END

The school will end the year with 131 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

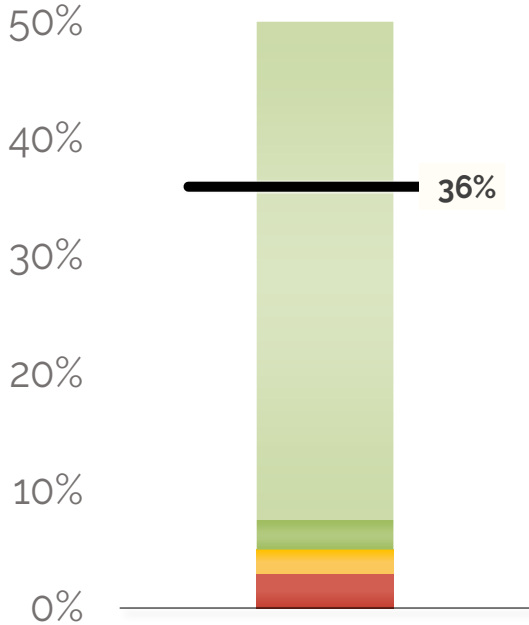


-23.0% GROSS MARGIN

The forecasted net income is - \$3.7m, which is \$100k below the budget. It yields a -23.0% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

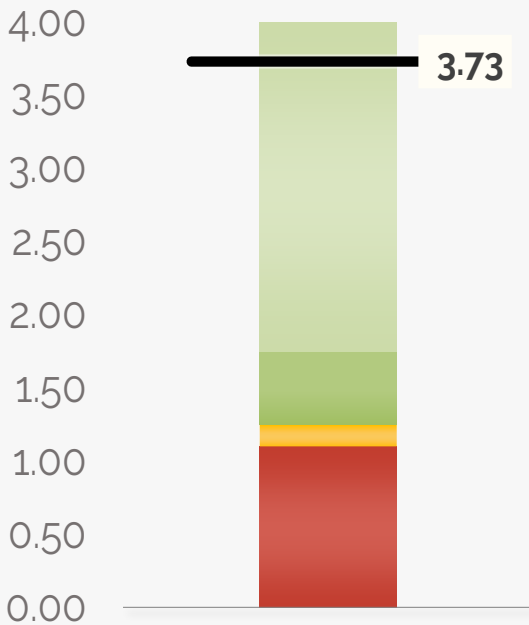


35.93% AT YEAR'S END

The school is projected to end the year with a fund balance of \$7,051,881. Last year's fund balance was \$10,725,056.

DSCR

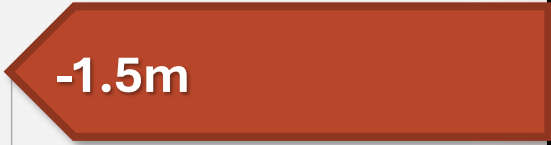




Amount of cash flow available to meet annual interest and principal payments on debt



DSCR IS 3.73

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

Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$16m	\$17.4m	-\$1.5m		Due to lower than budgeted enrollment and attendance, offset, somewhat, by use of prior year WADA.
Expenses	\$19.6m	\$21m	\$1.4m		Represents a correction made for KLS loan repayment which had been double stated on the original budget.
Net Income	-\$3.7m	-\$3.6m	-\$100k		
Cash Flow Adjustments	0	0	0		
Change in Cash	-\$3.7m	-\$3.6m	-\$100k		

	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	805,235	691,194	114,041	1,238,369	1,212,621	25,748	433,134
State Revenue	7,331,386	6,582,824	748,562	10,940,169	12,532,413	(1,592,244)	3,608,783
Federal Revenue	785,274	1,714,977	(929,703)	3,254,435	3,218,230	36,205	2,469,161
Private Grants and Donations	180,953	120,000	60,953	180,953	150,000	30,953	-
Earned Fees	67,048	166,315	(99,267)	341,653	332,630	9,023	274,605
Total Revenue	9,169,896	9,275,311	(105,414)	15,955,578	17,445,894	(1,490,315) ①	6,785,682
Expenses							
Salaries	3,636,584	3,687,047	50,463	6,223,597	6,320,652	97,055	2,587,013
Benefits and Taxes	993,308	1,075,709	82,402	1,748,180	1,844,073	95,893	754,872
Staff-Related Costs	27,079	55,344	28,264	89,875	94,875	5,000	62,795
Rent	-	19,445	19,445	33,334	33,334	0	33,334
Occupancy Service	1,013,211	741,255	(271,956)	1,299,527	1,270,722	(28,805)	286,316
Student Expense, Direct	774,865	969,948	195,083	1,719,857	1,662,767	(57,090)	944,992
Student Expense, Food	252,226	647,973	395,747	1,110,810	1,110,810	0	858,584
Office & Business Expense	1,607,787	2,422,520	814,734	4,030,480	4,152,892	122,412	2,422,694
Transportation	432,674	554,905	122,230	951,265	951,265	(0)	518,591
Total Ordinary Expenses	8,737,733	10,174,145	1,436,412	17,206,925	17,441,391	234,466	8,469,192
Interest	489,406	49,136	(440,270)	493,624	84,233	(409,391)	4,218
Facility Improvements	85,461	2,037,673	1,952,212	1,928,204	3,493,154	1,564,950	1,842,743
Total Extraordinary Expenses	574,867	2,086,809	1,511,943	2,421,828	3,577,387	1,155,560	1,846,961
Total Expenses	9,312,599	12,260,954	2,948,355	19,628,753	21,018,778	1,390,025 ②	10,316,153
Net Income	(142,703)	(2,985,643)	2,842,940	(3,673,174)	(3,572,884)	(100,290) ③	(3,530,471)
Cash Flow Adjustments	15,390	-	15,390	0	-	0 ④	(15,390)
Change in Cash	(127,313)	(2,985,643)	2,858,330	(3,673,174)	(3,572,884)	(100,290) ⑤	(3,545,861)

① REVENUE: \$1.5M BEHIND

Lower than budgeted enrollment and attendance, offset by use of prior year WADA.

② EXPENSES: \$1.4M AHEAD

Adjustment to extraordinary expenses for KLS loan repayment which had been double-counted in original budget.

③ NET INCOME: \$100K behind

④ CASH ADJ:\$0K AHEAD

⑤ NET CHANGE IN CASH: \$100K BEHIND

Income Statement	Actual							Forecast					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Revenue													
Local Revenue	214,626	41,800	113,114	112,607	129,133	93,742	100,212	86,627	86,627	86,627	86,627	86,627	1,238,369
State Revenue	923,510	892,452	907,991	914,386	3,543,253	73,984	75,810	721,757	721,757	721,757	721,757	721,757	10,940,169
Federal Revenue	16,099	16,858	28,145	0	302,165	355,890	66,117	493,832	493,832	493,832	493,832	493,832	3,254,435
Private Grants and Donations	1,000	0	0	26,603	3,350	150,000	0	0	0	0	0	0	180,953
Earned Fees	1,950	0	3,467	7,061	53,929	0	641	54,921	54,921	54,921	54,921	54,921	341,653
Total Revenue	1,157,185	951,111	1,052,717	1,060,656	4,031,831	673,616	242,780	1,357,136	1,357,136	1,357,136	1,357,136	1,357,136	15,955,578
Expenses													
Salaries	389,577	487,543	698,533	506,162	537,667	521,047	496,054	513,883	513,883	513,883	513,883	531,483	6,223,597
Benefits and Taxes	114,968	140,507	141,796	140,119	144,908	139,203	171,806	150,622	150,622	150,622	150,622	152,385	1,748,180
Staff-Related Costs	4,718	6,500	216	932	8,215	3,270	3,229	12,559	12,559	12,559	12,559	12,559	89,875
Rent	0	0	0	0	0	0	0	6,667	6,667	6,667	6,667	6,667	33,334
Occupancy Service	111,443	151,650	102,901	173,939	127,694	187,724	157,860	57,263	57,263	57,263	57,263	57,263	1,299,527
Student Expense, Direct	84,040	107,256	109,531	122,714	89,985	59,579	201,760	188,998	188,998	188,998	188,998	188,998	1,719,857
Student Expense, Food	863	0	0	29,194	76,512	79,627	66,030	171,717	171,717	171,717	171,717	171,717	1,110,810
Office & Business Expense	210,905	237,824	384,892	237,190	105,483	72,741	358,751	484,539	484,539	484,539	484,539	484,539	4,030,480
Transportation	4,265	1,500	12,928	31,376	109,814	79,950	192,841	103,718	103,718	103,718	103,718	103,718	951,265
Total Ordinary Expenses	920,778	1,132,780	1,450,798	1,241,625	1,200,279	1,143,141	1,648,331	1,689,966	1,689,966	1,689,966	1,689,966	1,709,329	17,206,925
Operating Income	236,406	-181,669	-398,081	-180,969	2,831,552	-469,525	-1,405,551	-332,829	-332,829	-332,829	-332,829	-352,192	-1,251,347
Extraordinary Expenses													
Interest	7,019	7,019	7,019	7,019	231,859	2,315	227,154	844	844	844	844	844	493,624
Facility Improvements	29,200	560	1,350	6,663	29,200	18,348	140	368,549	368,549	368,549	368,549	368,549	1,928,204
Total Extraordinary Expenses	36,219	7,579	8,369	13,682	261,059	20,663	227,294	369,392	369,392	369,392	369,392	369,392	2,421,828
Total Expenses	956,998	1,140,359	1,459,167	1,255,308	1,461,338	1,163,804	1,875,626	2,059,358	2,059,358	2,059,358	2,059,358	2,078,721	19,628,753
Net Income	200,187	-189,248	-406,450	-194,651	2,570,493	-490,188	-1,632,845	-702,222	-702,222	-702,222	-702,222	-721,585	-3,673,174
Cash Flow Adjustments	-1,788	9,359	-19,437	19,077	-11,186	3,099	16,266	-3,078	-3,078	-3,078	-3,078	-3,078	0
Change in Cash	198,399	-179,889	-425,887	-175,575	2,559,307	-487,089	-1,616,579	-705,300	-705,300	-705,300	-705,300	-724,663	-3,673,174
Ending Cash	10,905,607	10,725,718	10,299,831	10,124,256	12,683,563	12,196,474	10,579,895	9,874,595	9,169,296	8,463,996	7,758,696	7,034,034	

	Previous Year End	Current	Year End
Assets			
Current Assets			
Cash	10,707,208	10,579,895	7,034,034
Total Current Assets	10,707,208	10,579,895	7,034,034
Total Assets	10,707,208	10,579,895	7,034,034
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-17,847	-2,458	-17,847
Total Current Liabilities	-17,847	-2,458	-17,847
Total Long-Term Liabilities	0	0	
Total Liabilities	-17,847	-2,458	-17,847
Equity			
Unrestricted Net Assets	10,725,056	10,725,056	10,725,056
Net Income	0	-142,703	-3,673,174
Total Equity	10,725,056	10,582,352	7,051,881
Total Liabilities and Equity	10,707,208	10,579,895	7,034,034



QUESTIONS?

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