

**HOGAN**  
PREP ACADEMY



# July 2024 Financials

PREPARED **AUG'24** BY

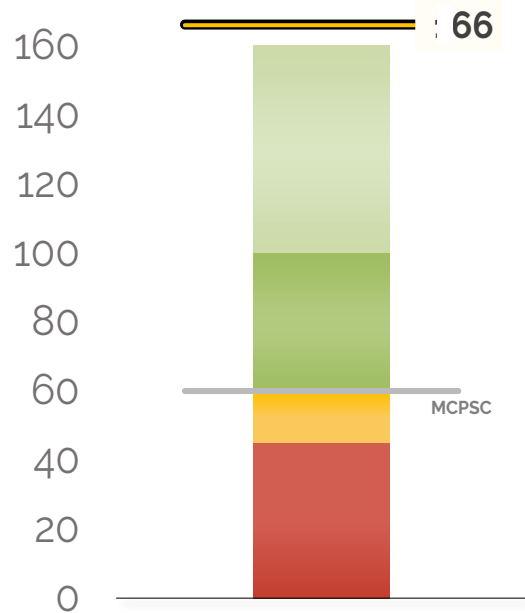


- **Executive Summary**
- **Cash Forecast**
- **Key Performance Indicators**
- **Forecast Overview**
- **Annotated Financials**
- **Monthly Projections**
- **Balance Sheet**

- July 2024 marks the beginning of HPA's FY25 calendar. The school finished the month with a cash projection at year end of \$8.71m, right on top of the full year budget. Days of Cash are 166 days.
- Revenue – came in a bit ahead of forecast because DESE is paying out basic formula funding now using prior year WADA. This will settle out in the fall when the school reports October enrollment.
- Expenses – EdOps is making a few account code adjustments as part of an alignment project for the charter schools they support. This will simply move funds from one budget code to another, not impacting the school's overall budget.
- Net Income – is aligned with the full year budget as of 7/31/24.

## Days of Cash

Cash balance at year-end divided by average daily expenses

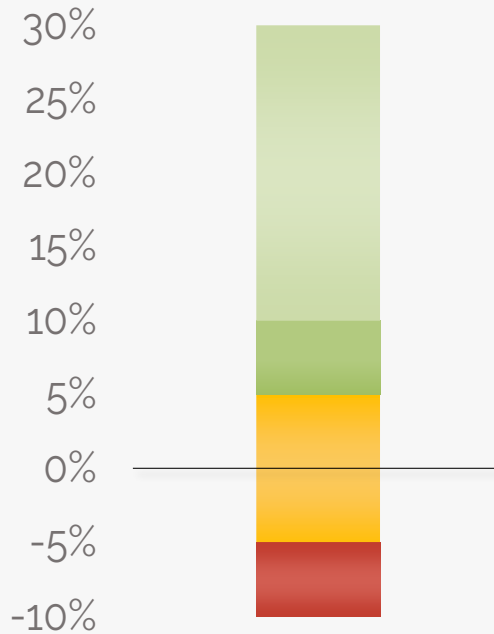


### 166 DAYS OF CASH AT YEAR'S END

The school will end the year with 166 days of cash. This is above the recommended 60 days

## Gross Margin

Revenue less expenses, divided by revenue

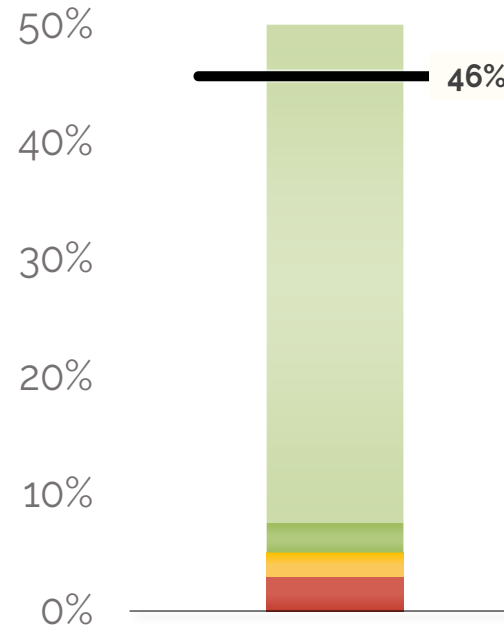


### -17.1% GROSS MARGIN

The forecasted net income is -\$2.8m, which is \$33 above the budget. It yields a -17.1% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

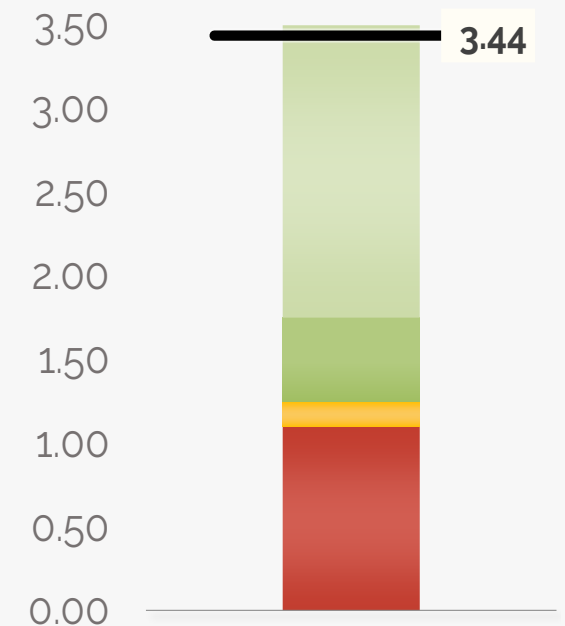


### 45.60% AT YEAR'S END

The school is projected to end the year with a fund balance of \$8,728,344. Last year's fund balance was \$11,524,148.

## DSCR

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



### DSCR IS 3.44

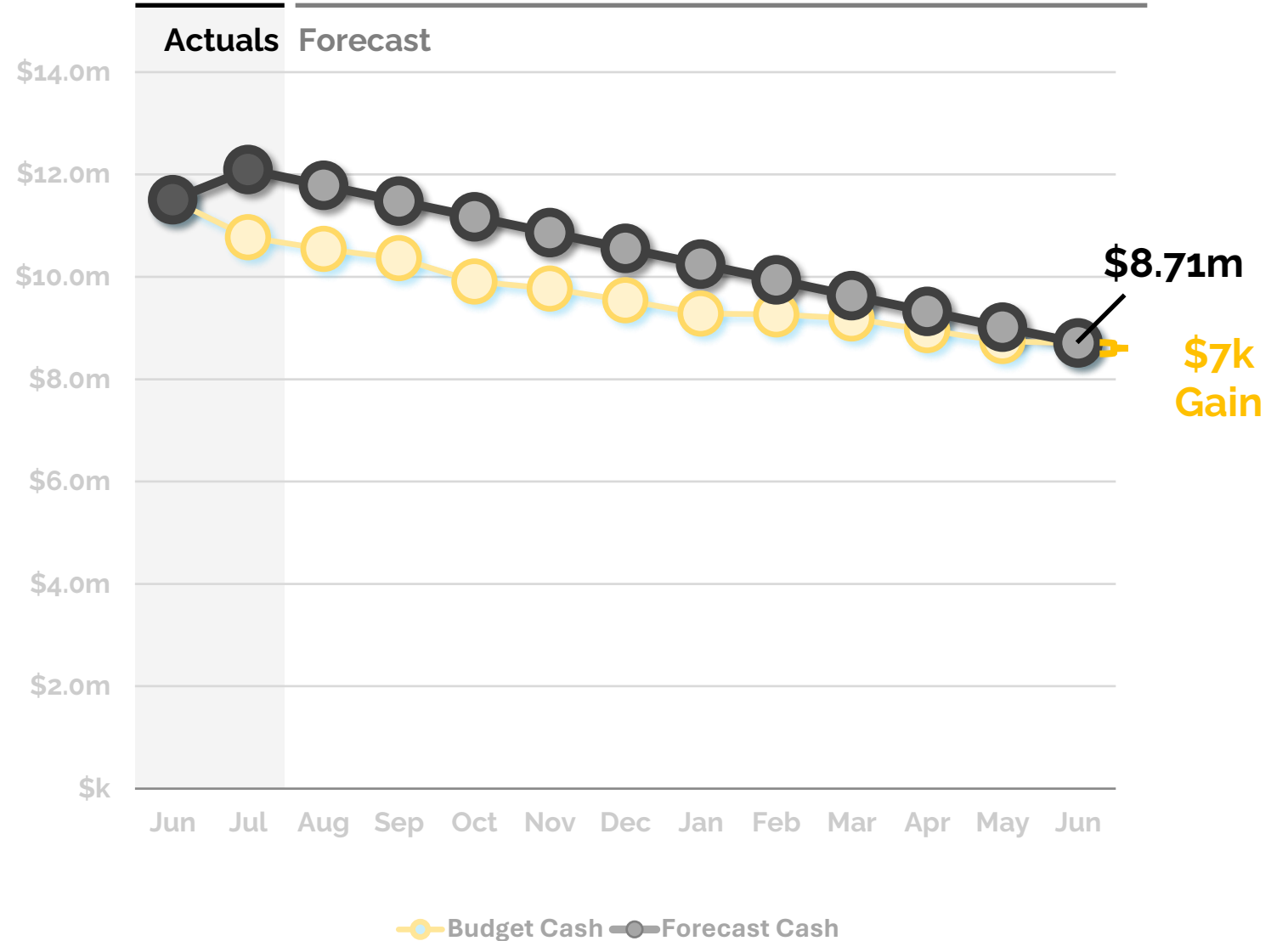
Debt Service Coverage Ratio is defined by the school's bank covenants.

# Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$16.3m	\$16.3m	<b>99.72</b>		
Expenses	\$19.1m	\$19.1m	<b>-66.6</b>		Very small amount of summer school expenses which were over budget. Not material.
<b>Net Income</b>	<b>-\$2.8m</b>	<b>-\$2.8m</b>	<b>33.12</b>		
Cash Flow Adjustments	-0	0	<b>-0</b>		
<b>Change in Cash</b>	<b>-\$2.8m</b>	<b>-\$2.8m</b>	<b>33.12</b>		

## 166 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$8.7m**, **\$7k** above budget.



	Year-To-Date			Annual Forecast				
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining	Rem %
<b>Revenue</b>								
Local Revenue	154,741	91,208	63,533	1,308,780	1,308,780	(0)	1,154,040	88%
State Revenue	1,007,545	642,938	364,607	12,111,766	12,111,767	(0)	11,104,221	92%
Federal Revenue	56,562	-	56,562	1,852,208	1,852,108	100	1,795,646	97%
Private Grants and Donations	-	-	-	695,000	695,000	(0)	695,000	100%
Earned Fees	332,630	-	332,630	376,070	376,070	(0)	43,440	12%
<b>Total Revenue</b>	<b>1,551,478</b>	<b>734,146</b>	<b>817,332</b>	<b>16,343,825</b>	<b>16,343,725</b>	<b>100</b>	<b>14,792,347</b>	<b>①</b>
<b>Expenses</b>								
Salaries	505,770	580,115	74,345	6,961,380	6,961,380	0	6,455,610	93%
Benefits and Taxes	147,963	181,232	33,269	2,174,787	2,174,787	0	2,026,825	93%
Staff-Related Costs	6,139	4,783	(1,356)	57,390	57,390	0	51,252	89%
Occupancy Service	119,747	134,747	15,000	1,616,963	1,616,963	(0)	1,497,216	93%
Student Expense, Direct	63,509	112,096	48,587	1,345,218	1,345,151	(67)	1,281,708	95%
Student Expense, Food	56,078	-	(56,078)	750,000	750,000	0	693,922	93%
Office & Business Expense	61,484	336,553	275,069	4,038,639	4,038,639	(0)	3,977,154	98%
Transportation	2,155	772	(1,383)	918,231	918,231	(0)	916,076	100%
Total Ordinary Expenses	962,846	1,350,298	387,452	17,862,608	17,862,542	(67)	16,899,763	95%
Interest	-	106,418	106,418	1,277,020	1,277,020	(0)	1,277,020	100%
Total Extraordinary Expenses	-	106,418	106,418	1,277,020	1,277,020	(0)	1,277,020	100%
<b>Total Expenses</b>	<b>962,846</b>	<b>1,456,717</b>	<b>493,871</b>	<b>19,139,628</b>	<b>19,139,562</b>	<b>(67)</b>	<b>18,176,783</b>	<b>②</b>
<b>Net Income</b>	<b>588,632</b>	<b>(722,571)</b>	<b>1,311,202</b>	<b>(2,795,803)</b>	<b>(2,795,837)</b>	<b>33</b>	<b>(3,384,435)</b>	<b>③</b>
<b>Cash Flow Adjustments</b>	<b>852</b>	<b>-</b>	<b>852</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>(852)</b>	<b>④</b>
<b>Change in Cash</b>	<b>589,484</b>	<b>(722,571)</b>	<b>1,312,054</b>	<b>(2,795,803)</b>	<b>(2,795,837)</b>	<b>33</b>	<b>(3,385,287)</b>	<b>⑤</b>

① REVENUE: \$oK AHEAD

② EXPENSES: \$oK BEHIND

③ NET INCOME: \$oK ahead

④ CASH ADJ:\$oK BEHIND

⑤ NET CHANGE IN CASH:  
\$oK AHEAD

# Monthly Financials

Income Statement	Actual	Forecast											TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<b>Revenue</b>													
Local Revenue	154,741	104,913	104,913	104,913	104,913	104,913	104,913	104,913	104,913	104,913	104,913	104,913	1,308,780
State Revenue	1,007,545	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	1,009,475	12,111,766
Federal Revenue	56,562	163,241	163,241	163,241	163,241	163,241	163,241	163,241	163,241	163,241	163,241	163,241	1,852,208
Private Grants and Donations	0	63,182	63,182	63,182	63,182	63,182	63,182	63,182	63,182	63,182	63,182	63,182	695,000
Earned Fees	332,630	3,949	3,949	3,949	3,949	3,949	3,949	3,949	3,949	3,949	3,949	3,949	376,070
<b>Total Revenue</b>	<b>1,551,478</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>1,344,759</b>	<b>16,343,825</b>
<b>Expenses</b>													
Salaries	505,770	586,874	586,874	586,874	586,874	586,874	586,874	586,874	586,874	586,874	586,874	586,874	6,961,380
Benefits and Taxes	147,963	184,257	184,257	184,257	184,257	184,257	184,257	184,257	184,257	184,257	184,257	184,257	2,174,787
Staff-Related Costs	6,139	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	57,390
Occupancy Service	119,747	136,111	136,111	136,111	136,111	136,111	136,111	136,111	136,111	136,111	136,111	136,111	1,616,963
Student Expense, Direct	63,509	116,519	116,519	116,519	116,519	116,519	116,519	116,519	116,519	116,519	116,519	116,519	1,345,218
Student Expense, Food	56,078	63,084	63,084	63,084	63,084	63,084	63,084	63,084	63,084	63,084	63,084	63,084	750,000
Office & Business Expense	61,484	361,559	361,559	361,559	361,559	361,559	361,559	361,559	361,559	361,559	361,559	361,559	4,038,639
Transportation	2,155	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280	918,231
Total Ordinary Expenses	962,846	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	1,536,342	17,862,608
Operating Income	588,632	-191,583	-191,583	-191,583	-191,583	-191,583	-191,583	-191,583	-191,583	-191,583	-191,583	-191,583	-1,518,783
<b>Extraordinary Expenses</b>													
Interest	0	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	1,277,020
Total Extraordinary Expenses	0	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	116,093	1,277,020
<b>Total Expenses</b>	<b>962,846</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>1,652,435</b>	<b>19,139,628</b>
<b>Net Income</b>	<b>588,632</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-307,676</b>	<b>-2,795,803</b>
Cash Flow Adjustments	852	-77	-77	-77	-77	-77	-77	-77	-77	-77	-77	-77	0
<b>Change in Cash</b>	<b>589,484</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-307,753</b>	<b>-2,795,803</b>
Ending Cash	12,094,271	11,786,518	11,478,764	11,171,011	10,863,258	10,555,504	10,247,751	9,939,997	9,632,244	9,324,491	9,016,737	8,708,984	



	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
<b>Assets</b>			
Current Assets			
Cash	11,504,787	12,094,271	8,708,984
<b>Total Current Assets</b>	<b>11,504,787</b>	<b>12,094,271</b>	<b>8,708,984</b>
<b>Total Assets</b>	<b>11,504,787</b>	<b>12,094,271</b>	<b>8,708,984</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	-19,360	-18,508	-19,360
<b>Total Current Liabilities</b>	<b>-19,360</b>	<b>-18,508</b>	<b>-19,360</b>
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>-19,360</b>	<b>-18,508</b>	<b>-19,360</b>
<b>Equity</b>			
Unrestricted Net Assets	11,524,148	11,524,148	11,524,148
Net Income	0	588,632	-2,795,803
<b>Total Equity</b>	<b>11,524,148</b>	<b>12,112,780</b>	<b>8,728,344</b>
<b>Total Liabilities and Equity</b>	<b>11,504,787</b>	<b>12,094,271</b>	<b>8,708,984</b>

\* KLS Loan Balance

\$14,601,013.35

\*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 7/31/24. Loan payments are made quarterly.



# QUESTIONS?

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