

**HOGAN**  
PREP ACADEMY



# October 2022 Financials

PREPARED NOV'22 BY



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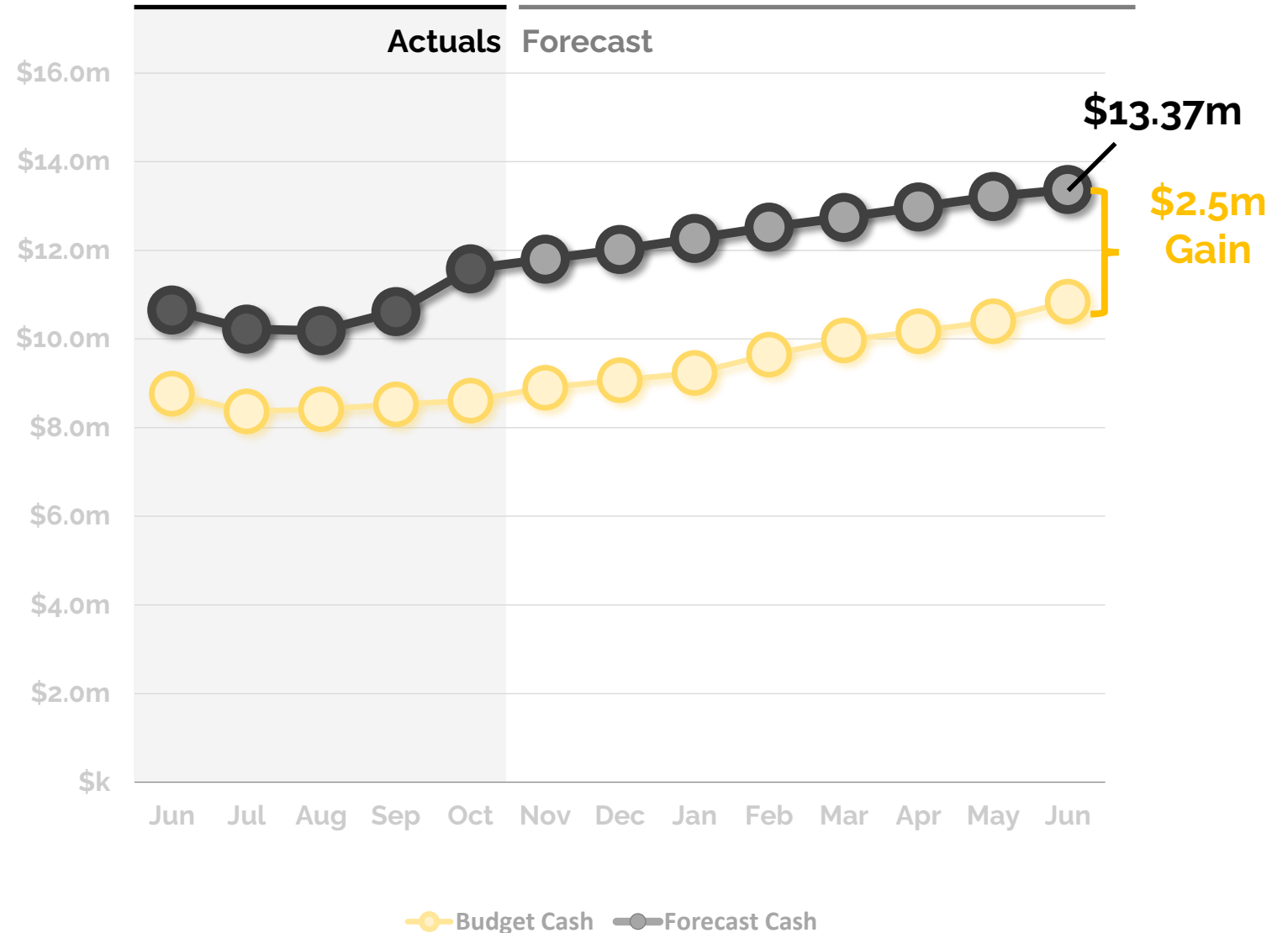
- The full year revenue outlook for Hogan improved this month due to two factors:
  - The State of MO released the funding equity WADA in October and it has been applied retroactively to the budget. Hogan's full year per student WADA went from \$8340 to \$10492, an increase of \$2152 per student.
  - An ESSER II draw which was originally anticipated in FY22 was actually processed in FY23. The draw improved our Federal Revenue forecast by \$338,342.
- As a result, Hogan ended October with a projected \$13.37M in cash reserves at year end.
- Despite this positive news, Hogan's FY23 revenue continues to be negatively impacted by decreasing enrollment numbers and lower than expected attendance. Current enrollment sits at 1099, just 24 students above the 1075 threshold allowed by our KLS loan covenants.

- Expenses for October continue to run below budget, mainly due to open staffing positions that remain unfilled.
- Adjustments were made to Hogan's expense forecast for trash service and security to better reflect actual vs. budgeted expenses.
- Hogan finished Oct, 2022 ahead of the full year expense budget by \$574,801 (3.7%).

## 287 Days of Cash at year's end

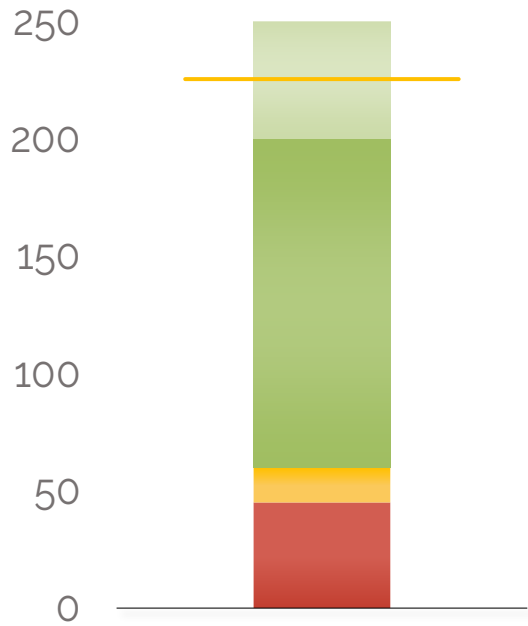
We forecast the school's year ending cash balance as **\$13m**, **\$2.5m** above budget.

This increase is due to application of funding equity WADA and an ESSER II draw which was rec'd in FY23 vs. FY22.



## Days of Cash

Cash balance at year-end divided by average daily expenses

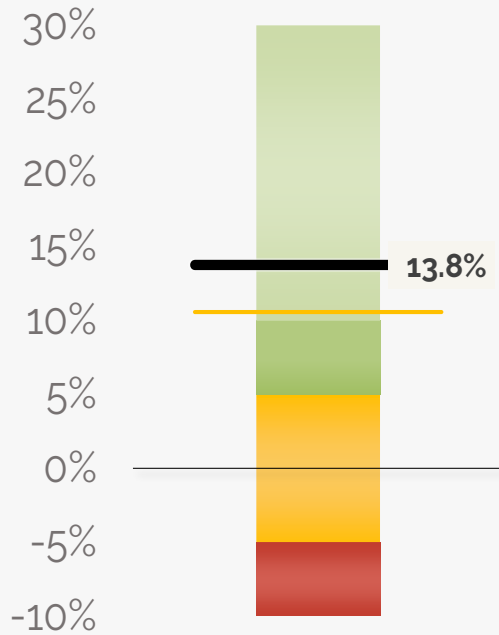


### 287 DAYS OF CASH AT YEAR'S END

The school will end the year with 287 days of cash. This is above the recommended 60 days

## Gross Margin

Revenue less expenses, divided by revenue

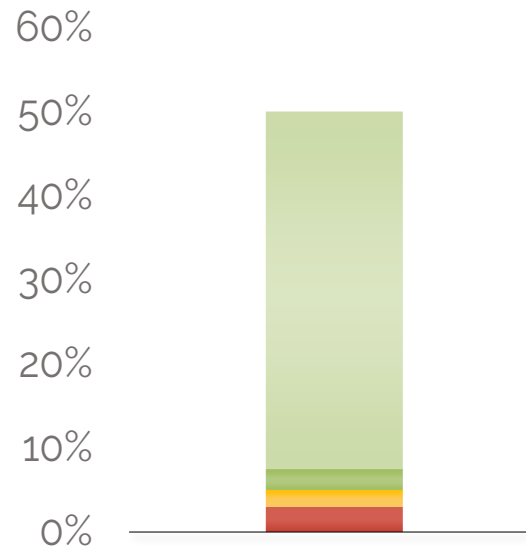


### 13.8% GROSS MARGIN

The forecasted net income is \$2.7m, which is \$639k above the budget. It yields a 13.8% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

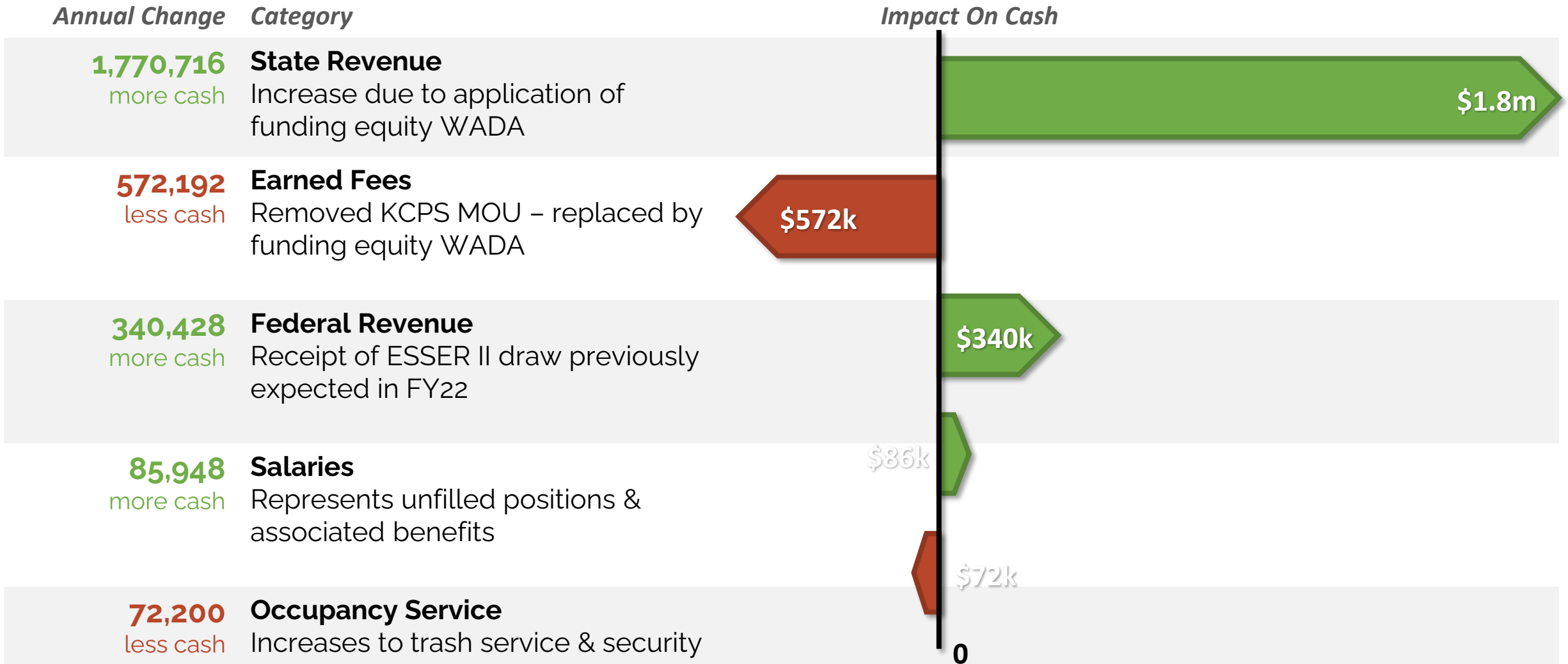


### 79.14% AT YEAR'S END

The school is projected to end the year with a fund balance of \$13,439,355. Last year's fund balance was \$10,724,590.

# Key Forecast Changes This Month

The October forecast **increased** the year-end cash expectation by **\$1.6m**. *Key changes:*



	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
<b>Revenue</b>							
Local Revenue	562,512	492,270	70,242	1,500,534	1,491,727	8,807	938,022
State Revenue	3,717,952	3,043,608	674,344	10,691,316	10,407,630	283,686	6,973,364
Federal Revenue	553,608	1,904,211	(1,350,604)	6,543,206	6,202,728	340,478	5,989,598
Private Grants and Donations	355,700	55,750	299,950	557,500	557,500	-	201,800
Earned Fees	263,406	194,573	68,833	403,617	972,866	(569,249)	140,211
<b>Total Revenue</b>	<b>5,453,178</b>	<b>5,690,413</b>	<b>(237,235)</b>	<b>19,696,173</b>	<b>19,632,450</b>	<b>63,723</b> ①	<b>14,242,996</b>
<b>Expenses</b>							
Salaries	1,929,993	2,375,083	445,090	6,552,119	7,125,248	573,129	4,622,127
Benefits and Taxes	531,520	676,548	145,027	1,890,190	2,029,643	139,454	1,358,669
Staff-Related Costs	50,148	75,958	25,811	227,875	227,875	0	177,727
Rent	66,667	50,000	(16,667)	200,003	150,000	(50,003)	133,336
Occupancy Service	346,367	362,568	16,200	1,159,903	1,087,703	(72,200)	813,536
Student Expense, Direct	371,979	608,690	236,710	1,826,069	1,826,069	(0)	1,454,090
Student Expense, Food	257,176	364,332	107,155	1,092,995	1,092,995	0	835,819
Office & Business Expense	276,224	380,283	104,059	1,156,428	1,140,849	(15,579)	880,204
Transportation	155,130	313,853	158,723	941,560	941,560	(0)	786,430
Total Ordinary Expenses	3,985,204	5,207,314	1,222,110	15,047,142	15,621,943	574,801	11,061,937
Net Operating Income	1,467,974	483,098	984,875	4,649,032	4,010,508	638,524	3,181,058
<b>Extraordinary Expenses</b>							
Interest	157,431	28,078	(129,353)	84,233	84,233	0	(73,198)
Facility Improvements	379,210	616,678	237,468	1,850,034	1,850,034	0	1,470,824
Total Extraordinary Expenses	536,641	644,756	108,115	1,934,267	1,934,268	1	1,397,626
<b>Total Expenses</b>	<b>4,521,845</b>	<b>5,852,070</b>	<b>1,330,225</b>	<b>16,981,409</b>	<b>17,556,210</b>	<b>574,802</b> ②	<b>12,459,564</b>
<b>Net Income</b>	<b>931,333</b>	<b>(161,657)</b>	<b>1,092,990</b>	<b>2,714,765</b>	<b>2,076,240</b>	<b>638,525</b> ③	<b>1,783,432</b>
Cash Flow Adjustments	(122)	-	(122)	5,874	-	5,874	5,995
<b>Change in Cash</b>	<b>931,211</b>	<b>(161,657)</b>	<b>1,092,869</b>	<b>2,720,639</b>	<b>2,076,240</b>	<b>644,398</b> ⑤	<b>1,789,427</b>

**① REVENUE: \$64K AHEAD**

Funding equity WADA, ESSER II pmt, adjustments to enrollment & attendance

**② EXPENSES: \$575K AHEAD**

Salaries/benefits from unfilled positions

**③ NET INCOME: \$639K ahead**

**④ CASH ADJ:\$6K AHEAD**

Student tech deposits & breach of contract pmts

**⑤ NET CHANGE IN CASH: \$644K 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	159,450	144,898	125,697	132,468	117,253	117,253	117,253	117,253	117,253	117,253	117,253	117,253	1,500,534
State Revenue	652,434	768,164	702,991	1,594,362	871,671	871,671	871,671	871,671	871,671	871,671	871,671	871,671	10,691,316
Federal Revenue	76,426	9,573	0	467,609	748,700	748,700	748,700	748,700	748,700	748,700	748,700	748,700	6,543,206
Private Grants and Donations	1,000	40,700	314,000	0	25,225	25,225	25,225	25,225	25,225	25,225	25,225	25,225	557,500
Earned Fees	95,176	0	168,230	0	17,526	17,526	17,526	17,526	17,526	17,526	17,526	17,526	403,617
<b>Total Revenue</b>	<b>984,485</b>	<b>963,335</b>	<b>1,310,918</b>	<b>2,194,440</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>1,780,374</b>	<b>19,696,173</b>
<b>Expenses</b>													
Salaries	538,677	442,981	479,855	468,479	585,525	578,202	554,427	554,427	579,915	564,177	567,177	638,277	6,552,119
Benefits and Taxes	139,145	131,021	127,291	134,063	170,037	169,737	167,658	167,658	169,608	168,404	169,429	176,138	1,890,190
Staff-Related Costs	6,252	14,263	11,701	17,932	22,216	22,216	22,216	22,216	22,216	22,216	22,216	22,216	227,875
Rent	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,003
Occupancy Service	81,274	73,148	92,261	99,684	101,692	101,692	101,692	101,692	101,692	101,692	101,692	101,692	1,159,903
Student Expense, Direct	58,017	220,061	38,835	55,067	181,761	181,761	181,761	181,761	181,761	181,761	181,761	181,761	1,826,069
Student Expense, Food	226,775	0	30,401	0	104,477	104,477	104,477	104,477	104,477	104,477	104,477	104,477	1,092,995
Office & Business Expense	60,090	63,614	64,370	88,149	110,026	110,026	110,026	110,026	110,026	110,026	110,026	110,026	1,156,428
Transportation	3,325	5,136	8,353	138,316	98,304	98,304	98,304	98,304	98,304	98,304	98,304	98,304	941,560
Total Ordinary Expenses	1,130,222	966,890	869,735	1,018,358	1,390,704	1,383,082	1,357,228	1,357,228	1,384,665	1,367,724	1,371,749	1,449,558	15,047,142
Operating Income	-145,737	-3,555	441,183	1,176,082	389,670	397,293	423,147	423,147	395,709	412,651	408,626	330,817	4,649,032
<b>Extraordinary Expenses</b>													
Interest	7,019	7,019	7,019	136,372	-9,150	-9,150	-9,150	-9,150	-9,150	-9,150	-9,150	-9,150	84,233
Facility Improvements	281,250	28,750	0	69,210	183,853	183,853	183,853	183,853	183,853	183,853	183,853	183,853	1,850,034
Total Extraordinary Expenses	288,269	35,769	7,019	205,582	174,703	174,703	174,703	174,703	174,703	174,703	174,703	174,703	1,934,267
<b>Total Expenses</b>	<b>1,418,491</b>	<b>1,002,659</b>	<b>876,754</b>	<b>1,223,940</b>	<b>1,565,408</b>	<b>1,557,785</b>	<b>1,531,931</b>	<b>1,531,931</b>	<b>1,559,368</b>	<b>1,542,427</b>	<b>1,546,452</b>	<b>1,624,261</b>	<b>16,981,409</b>
<b>Net Income</b>	<b>-434,006</b>	<b>-39,324</b>	<b>434,164</b>	<b>970,500</b>	<b>214,967</b>	<b>222,589</b>	<b>248,443</b>	<b>248,443</b>	<b>221,006</b>	<b>237,947</b>	<b>233,922</b>	<b>156,113</b>	<b>2,714,765</b>
Cash Flow Adjustments	2,750	3,124	94	-6,089	749	749	749	749	749	749	749	749	5,874
<b>Change in Cash</b>	<b>-431,257</b>	<b>-36,201</b>	<b>434,258</b>	<b>964,411</b>	<b>215,716</b>	<b>223,339</b>	<b>249,193</b>	<b>249,193</b>	<b>221,755</b>	<b>238,697</b>	<b>234,672</b>	<b>156,863</b>	<b>2,720,639</b>

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>10/31/2022</i>	<i>6/30/2023</i>
<b>Assets</b>			
Current Assets			
Cash	10,652,639	11,583,850	13,373,277
Total Current Assets	10,652,639	11,583,850	13,373,277
<b>Total Assets</b>	<b>10,652,639</b>	<b>11,583,850</b>	<b>13,373,277</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	-71,951	-72,073	-66,077
Total Current Liabilities	-71,951	-72,073	-66,077
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>-71,951</b>	<b>-72,073</b>	
<b>Equity</b>			
Unrestricted Net Assets	10,724,590	10,724,590	10,724,590
Net Income	0	931,333	2,714,765
<b>Total Equity</b>	<b>10,724,590</b>	<b>11,655,923</b>	<b>13,439,355</b>