

**HOGAN**  
PREP ACADEMY



# November 2024 Financials

PREPARED **DEC'24** BY



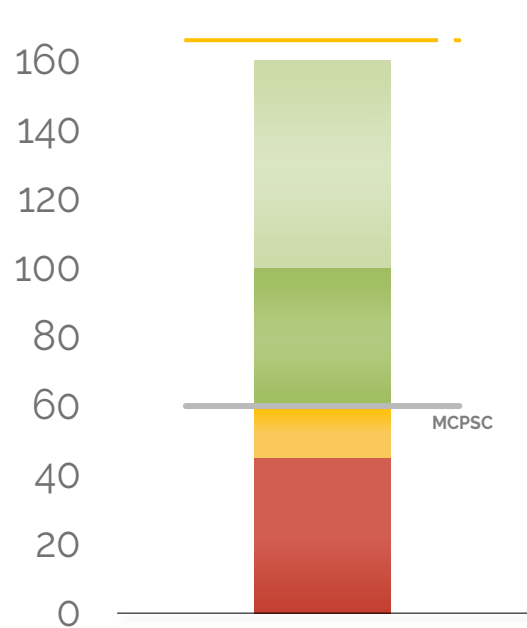
- **Executive Summary**
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- HPA closed out November 2024 with a projected YE cash balance of \$9.52M, \$818k above budget. Days of Cash sits at 190 days.
- Revenue
  - We have seen slight improvement in our full year revenue forecast due to an increase in DESE's per ADA payment. We moved from a forecast of \$12,850 to \$13,000 per ADA. DESE is currently paying out around \$13,360, but they have still not finalized the amount for the year, so we remain a bit conservative for now.
  - Our current variance (vs. budget) sits \$56k below budget, so an additional improvement in the per ADA payment should bring us back in line with the full year budget.

- **Expenses**
  - From an operating perspective, expenses continue to be in line with budget. We are running under budget in several categories and will be evaluating the potential to reduce our full year forecast in the March timeframe.
- **Net Income**
  - From an operating budget perspective, Net Income has improved from (\$1,518,817) to (\$1,194,963). As a reminder, this includes a \$1.5M placeholder for a potential legal settlement. Should those funds not be used, HPA would be back in the black for the year (operating budget).
- **FY24 Audit** – Clark Hanner from Marr & Co. will be presenting the FY24 audit at the 12/16/24 board meeting. The audit documentation will be forwarded to the board for review prior to the meeting.

## Days of Cash

Cash balance at year-end divided by average daily expenses

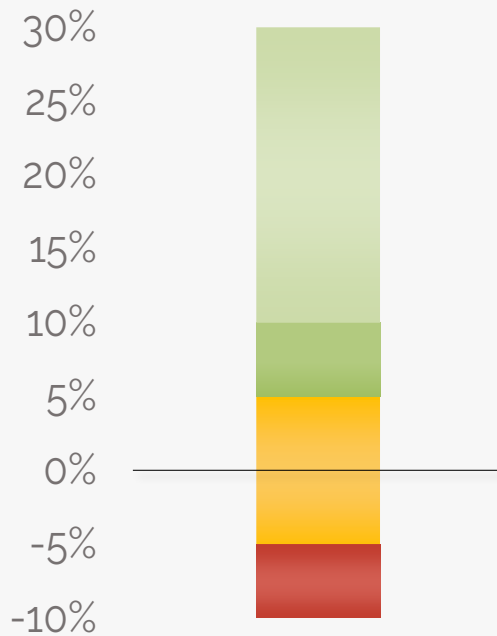


### 190 DAYS OF CASH AT YEAR'S END

The school will end the year with 190 days of cash. This is above the recommended 60 days, and 10 more day(s) than last month

## Gross Margin

Revenue less expenses, divided by revenue

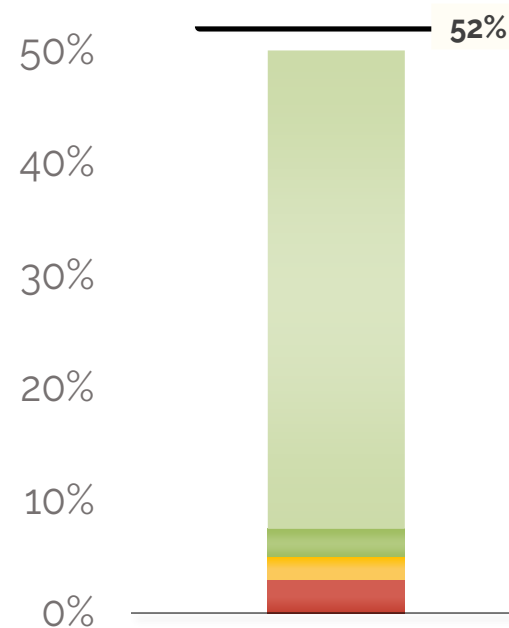


### -12.2% GROSS MARGIN

The forecasted net income is -\$2.0m, which is \$810k above the budget. It yields a -12.2% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

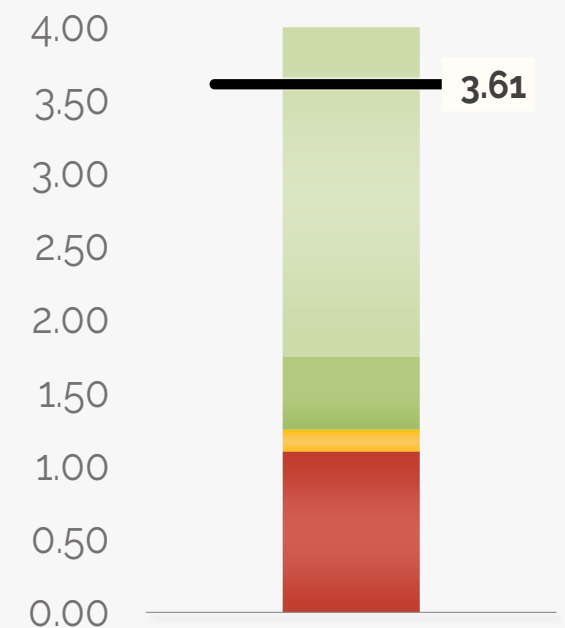


### 52.13% AT YEAR'S END

The school is projected to end the year with a fund balance of \$9,526,041. Last year's fund balance was \$11,511,484.

## DSCR

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

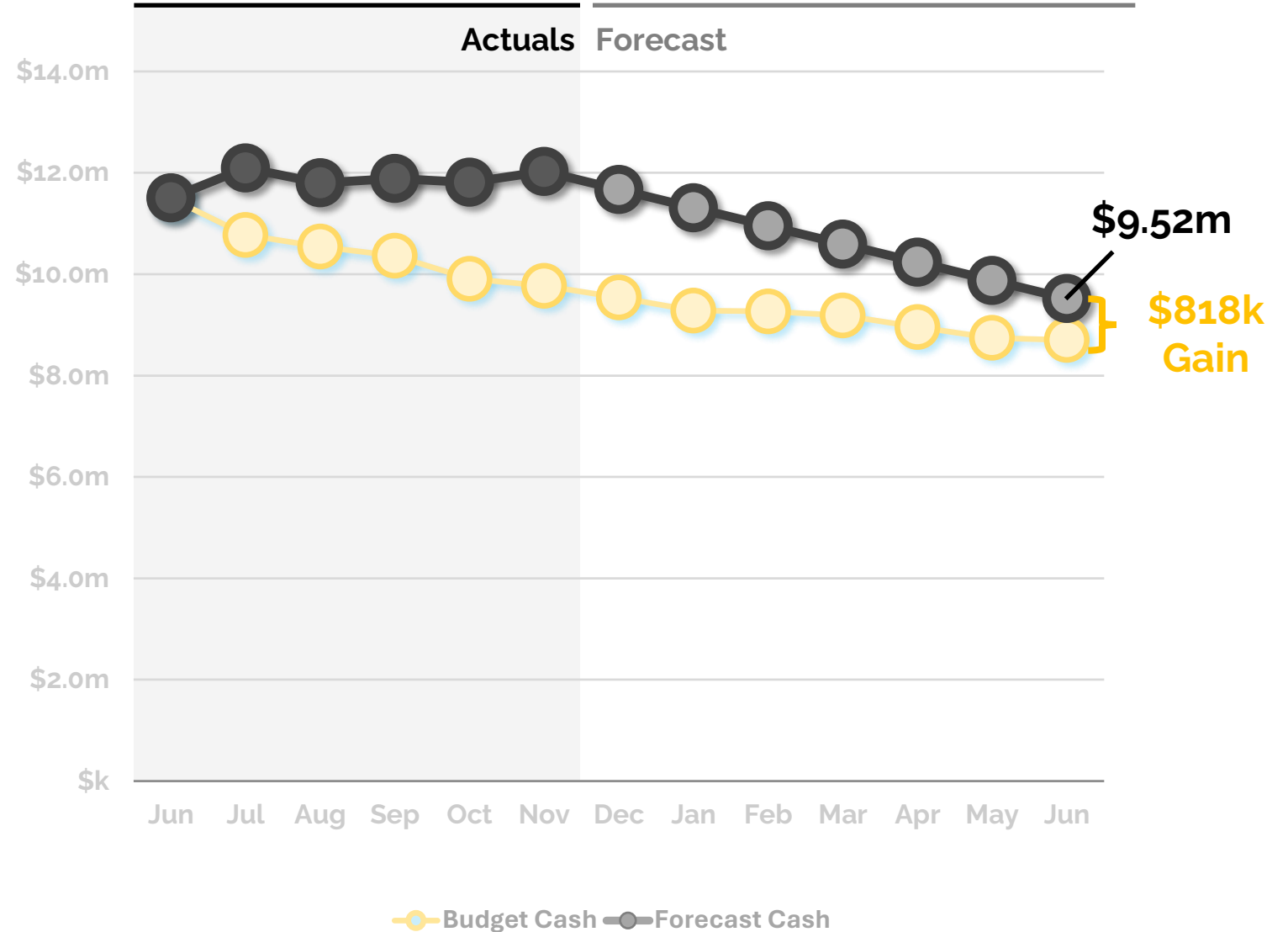


### DSCR IS 3.61

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

## 190 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$9.5m**, **\$818k** above budget.



# Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$16.3m	\$16.3m	-\$56k		Use of prior year WADA and an increase in DESE's per ADA payment for the year has helped us overcome a potential State funding deficit due to lower enrollment and lower attendance.
Expenses	\$18.3m	\$19.1m	\$867k		We are running below budget in several expense categories including salaries/benefits and Office/Bus expense. And we have over \$500K in expense reduction on the KLS loan payments for FY25.
<b>Net Income</b>	<b>-\$2m</b>	<b>-\$2.8m</b>	<b>\$810k</b>		Current expense savings are more than offsetting our revenue deficit, returning \$810k to the bottom line.
Cash Flow Adjustments	-0	0	-0		
<b>Change in Cash</b>	<b>-\$2m</b>	<b>-\$2.8m</b>	<b>\$810k</b>		

	Year-To-Date			Annual Forecast				
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining	Rem %
<b>Revenue</b>								
Local Revenue	585,441	562,442	22,999	1,319,780	1,308,780	11,000	734,339	56%
State Revenue	4,979,854	4,643,556	336,298	11,820,885	12,111,767	(290,882)	6,841,031	58%
Federal Revenue	769,631	597,429	172,202	1,954,882	1,852,108	102,774	1,185,251	61%
Private Grants and Donations	140,330	139,000	1,330	695,000	695,000	(0)	554,670	80%
Earned Fees	489,203	112,821	376,382	496,885	376,070	120,815	7,682	2%
<b>Total Revenue</b>	<b>6,964,460</b>	<b>6,055,249</b>	<b>909,211</b>	<b>16,287,433</b>	<b>16,343,725</b>	<b>(56,292)</b>	<b>9,322,974</b>	<b>①</b>
<b>Expenses</b>								
Salaries	2,834,655	2,900,575	65,920	6,763,996	6,961,380	197,384	3,929,341	58%
Benefits and Taxes	796,895	906,161	109,267	1,977,271	2,174,787	197,516	1,180,377	60%
Staff-Related Costs	87,885	23,913	(63,972)	124,590	57,390	(67,200)	36,705	29%
Occupancy Service	627,167	673,735	46,568	1,611,268	1,616,963	5,695	984,101	61%
Student Expense, Direct	519,627	560,480	40,852	1,451,618	1,345,151	(106,467)	931,990	64%
Student Expense, Food	90,882	225,000	134,118	750,000	750,000	0	659,118	88%
Office & Business Expense	1,237,239	1,682,766	445,527	3,885,421	4,038,639	153,217	2,648,182	68%
Transportation	57,205	276,551	219,346	918,231	918,231	0	861,027	94%
Total Ordinary Expenses	6,251,555	7,249,180	997,625	17,482,396	17,862,542	380,145	11,230,841	64%
Interest	197,620	532,092	334,472	790,480	1,277,020	486,540	592,860	75%
Total Extraordinary Expenses	197,620	532,092	334,472	790,480	1,277,020	486,540	592,860	75%
<b>Total Expenses</b>	<b>6,449,175</b>	<b>7,781,272</b>	<b>1,332,097</b>	<b>18,272,876</b>	<b>19,139,562</b>	<b>866,685</b>	<b>11,823,701</b>	<b>②</b>
<b>Net Income</b>	<b>515,285</b>	<b>(1,726,023)</b>	<b>2,241,308</b>	<b>(1,985,443)</b>	<b>(2,795,837)</b>	<b>810,394</b>	<b>(2,500,728)</b>	<b>③</b>
<b>Cash Flow Adjustments</b>	<b>8,355</b>	<b>-</b>	<b>8,355</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>(8,355)</b>	<b>④</b>
<b>Change in Cash</b>	<b>523,640</b>	<b>(1,726,023)</b>	<b>2,249,663</b>	<b>(1,985,443)</b>	<b>(2,795,837)</b>	<b>810,394</b>	<b>(2,509,083)</b>	<b>⑤</b>

**① REVENUE: \$56K BEHIND**

Use of PWADA + an increase in DESE per ADA payment; ESSER III funds rec'd in FY24 vs. FY25

**② EXPENSES: \$867K AHEAD**

Current 'savings' in salaries/benefits and Office/Bus expense as well as lowered loan payments to KSL are helping to offset revenue deficit above.

**③ NET INCOME: \$810K ahead**

**④ CASH ADJ: \$0K BEHIND**

**⑤ NET CHANGE IN CASH: \$810K 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	111,523	97,218	92,541	129,418	104,906	104,906	104,906	104,906	104,906	104,906	104,906	1,319,780
State Revenue	1,007,545	1,020,143	965,062	980,404	1,006,700	977,290	977,290	977,290	977,290	977,290	977,290	977,290	11,820,885
Federal Revenue	56,562	5,302	260,537	76,212	371,019	169,322	169,322	169,322	169,322	169,322	169,322	169,322	1,954,882
Private Grants and Donations	1,000	0	135,000	0	4,330	79,239	79,239	79,239	79,239	79,239	79,239	79,239	695,000
Earned Fees	332,630	117,654	32,892	5,677	350	1,097	1,097	1,097	1,097	1,097	1,097	1,097	496,885
<b>Total Revenue</b>	<b>1,552,478</b>	<b>1,254,622</b>	<b>1,490,709</b>	<b>1,154,835</b>	<b>1,511,817</b>	<b>1,331,853</b>	<b>1,331,853</b>	<b>1,331,853</b>	<b>1,331,853</b>	<b>1,331,853</b>	<b>1,331,853</b>	<b>1,331,853</b>	<b>16,287,433</b>
<b>Expenses</b>													
Salaries	505,770	565,535	646,710	572,403	544,237	561,334	561,334	561,334	561,334	561,334	561,334	561,334	6,763,996
Benefits and Taxes	147,963	149,600	183,812	162,534	152,986	168,625	168,625	168,625	168,625	168,625	168,625	168,625	1,977,271
Staff-Related Costs	6,139	552	125,033	-46,855	3,016	5,244	5,244	5,244	5,244	5,244	5,244	5,244	124,590
Occupancy Service	119,747	87,951	144,300	156,839	118,329	140,586	140,586	140,586	140,586	140,586	140,586	140,586	1,611,268
Student Expense, Direct	63,509	182,231	108,201	65,282	100,404	133,141	133,141	133,141	133,141	133,141	133,141	133,141	1,451,618
Student Expense, Food	56,078	0	0	34,804	0	94,160	94,160	94,160	94,160	94,160	94,160	94,160	750,000
Office & Business Expense	61,486	569,695	200,386	40,593	365,079	378,312	378,312	378,312	378,312	378,312	378,312	378,312	3,885,421
Transportation	2,155	0	8,470	46,579	0	123,004	123,004	123,004	123,004	123,004	123,004	123,004	918,231
Total Ordinary Expenses	962,848	1,555,565	1,416,912	1,032,179	1,284,051	1,604,406	1,604,406	1,604,406	1,604,406	1,604,406	1,604,406	1,604,406	17,482,396
Operating Income	589,630	-300,943	73,796	122,655	227,766	-272,553	-272,553	-272,553	-272,553	-272,553	-272,553	-272,553	-1,194,963
<b>Extraordinary Expenses</b>													
Interest	0	0	0	197,620	0	84,694	84,694	84,694	84,694	84,694	84,694	84,694	790,480
Total Extraordinary Expenses	0	0	0	197,620	0	84,694	84,694	84,694	84,694	84,694	84,694	84,694	790,480
<b>Total Expenses</b>	<b>962,848</b>	<b>1,555,565</b>	<b>1,416,912</b>	<b>1,229,799</b>	<b>1,284,051</b>	<b>1,689,100</b>	<b>1,689,100</b>	<b>1,689,100</b>	<b>1,689,100</b>	<b>1,689,100</b>	<b>1,689,100</b>	<b>1,689,100</b>	<b>18,272,876</b>
<b>Net Income</b>	<b>589,630</b>	<b>-300,943</b>	<b>73,796</b>	<b>-74,964</b>	<b>227,766</b>	<b>-357,247</b>	<b>-357,247</b>	<b>-357,247</b>	<b>-357,247</b>	<b>-357,247</b>	<b>-357,247</b>	<b>-357,247</b>	<b>-1,985,443</b>
Cash Flow Adjustments	852	6,716	12,218	-135	-11,296	-1,194	-1,194	-1,194	-1,194	-1,194	-1,194	-1,194	0
<b>Change in Cash</b>	<b>590,482</b>	<b>-294,227</b>	<b>86,014</b>	<b>-75,099</b>	<b>216,469</b>	<b>-358,440</b>	<b>-358,440</b>	<b>-358,440</b>	<b>-358,440</b>	<b>-358,440</b>	<b>-358,440</b>	<b>-358,440</b>	<b>-1,985,443</b>
Ending Cash	12,095,269	11,801,043	11,887,057	11,811,958	12,028,427	11,669,987	11,311,546	10,953,106	10,594,666	10,236,225	9,877,785	9,519,344	

	Previous Year End	Current	Year End
<b>Assets</b>			
Current Assets			
Cash	11,504,787	12,028,427	9,519,344
<b>Total Current Assets</b>	<b>11,504,787</b>	<b>12,028,427</b>	<b>9,519,344</b>
<b>Total Assets</b>	<b>11,504,787</b>	<b>12,028,427</b>	<b>9,519,344</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	-6,697	1,658	-6,697
<b>Total Current Liabilities</b>	<b>-6,697</b>	<b>1,658</b>	<b>-6,697</b>
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>-6,697</b>	<b>1,658</b>	<b>-6,697</b>
<b>Equity</b>			
Unrestricted Net Assets	11,511,484	11,511,484	11,511,484
Net Income	0	515,285	-1,985,443
<b>Total Equity</b>	<b>11,511,484</b>	<b>12,026,769</b>	<b>9,526,041</b>
<b>Total Liabilities and Equity</b>	<b>11,504,787</b>	<b>12,028,427</b>	<b>9,519,344</b>

**\*\* KLS Loan Balance**

**\$14,403,393.35**

\*\* 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 11/30/24. Loan payments are made quarterly.



# QUESTIONS?

Please contact your EdOps Finance Team:

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