

**HOGAN**  
PREP ACADEMY



# September 2022 Financials

PREPARED OCT'22 BY



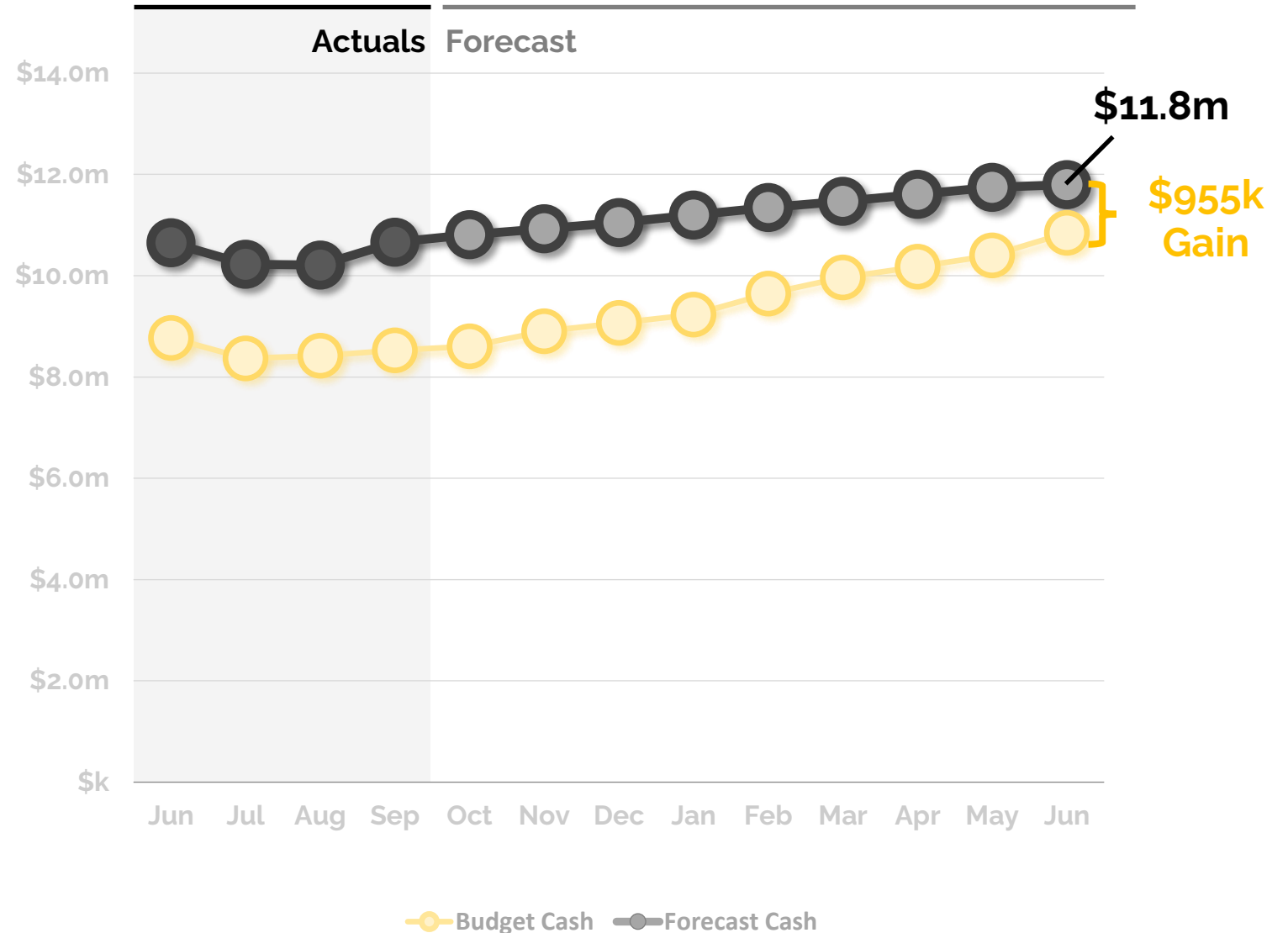
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- Through the first quarter of FY23, Hogan is showing strong financial performance despite lower than budgeted enrollment, with a year end cash on hand projection of \$12M.
- Full year revenue has been adjusted to reflect lower enrollment, from 1310 budgeted students to 1086. However, Hogan continues to enroll students, with the count on 10/15/22 being 1120.
- Unfilled staffing positions continue to produce expense savings for the year, although this is not the way to save money! Hogan leadership continues to work to fill these roles.
- DESE has indicated it will adjust WADA in October to reflect payment for funding equity. This is an initial payment, with two others following later this year. Once we are in receipt of the calculations, we can begin adding this equity funding to our revenue forecast for the year.

## 253 Days of Cash at year's end

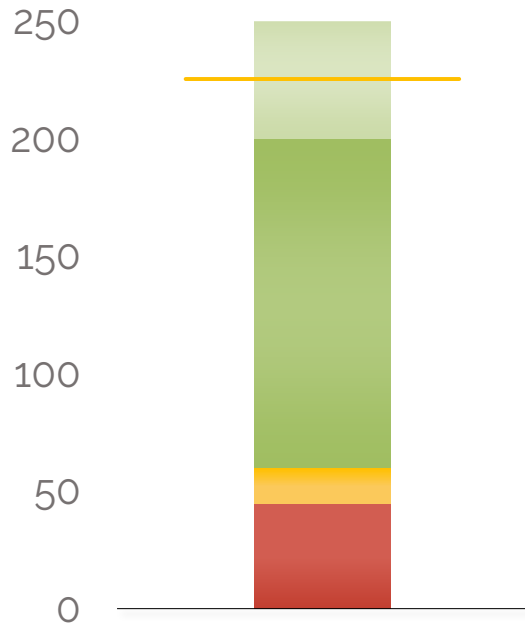
We forecast the school's year ending cash balance as **\$12m**, **\$955k** above budget.

This number fluctuates from month to month based on the EdOps forecasting model. However, we anticipate ending the year in this range!



## Days of Cash

Cash balance at year-end divided by average daily expenses

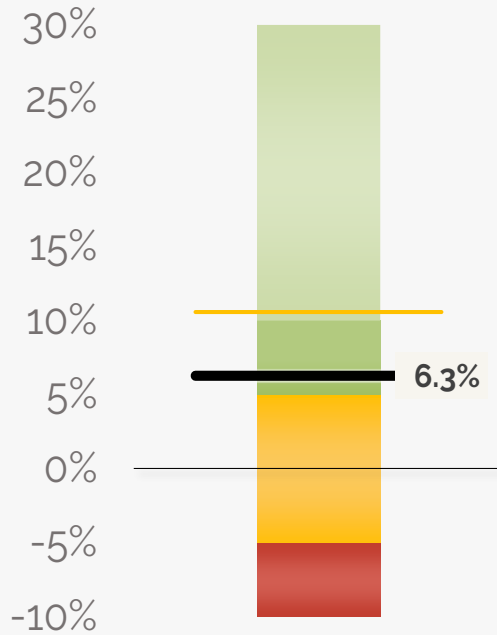


### 253 DAYS OF CASH AT YEAR'S END

The school will end the year with 253 days of cash. This is above the recommended 60 days

## Gross Margin

Revenue less expenses, divided by revenue

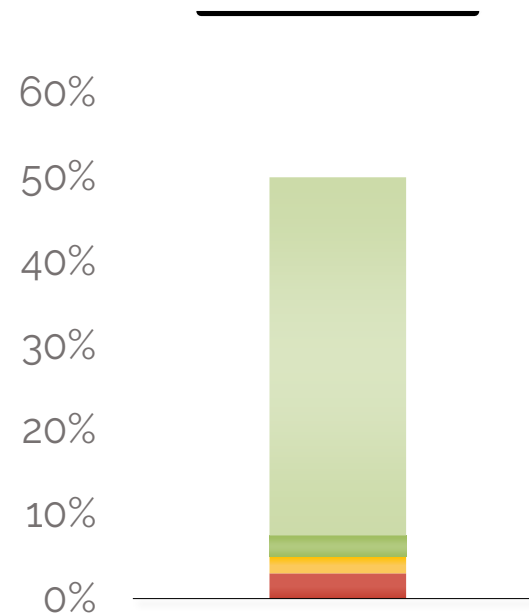


### 6.3% GROSS MARGIN

The forecasted net income is \$1.1m, which is \$937k below the budget. It yields a 6.3% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses



### 69.73% AT YEAR'S END

The school is projected to end the year with a fund balance of \$11,864,316. Last year's fund balance was \$10,724,590.

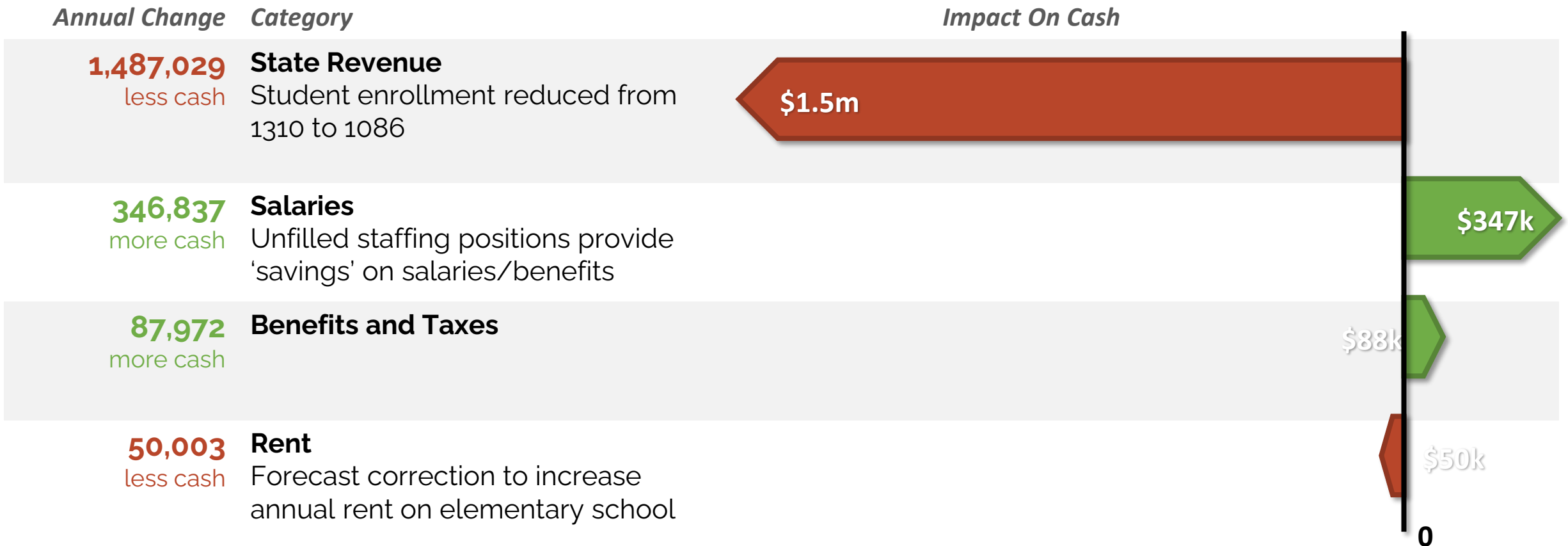
# Forecast Overview



	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$18.2m	\$19.6m	-\$1.5m		Reflects reduction of student enrollment, from 1310 to 1086.
Expenses	\$17m	\$17.6m	\$542k		Current unfilled positions are providing 'savings' on salaries and benefits.
<b>Net Income</b>	<b>\$1.1m</b>	<b>\$2.1m</b>	<b>-\$937k</b>		The revenue decrease noted above is offset by the reduced expenses, also above.
Cash Flow Adjustments	\$7k	0	\$7k		Receipt of student technology deposits and staffing breach of contract payments.
<b>Change in Cash</b>	<b>\$1.1m</b>	<b>\$2.1m</b>	<b>-\$930k</b>		

# Key Forecast Changes This Month

The September forecast **decreased** the year-end cash expectation by \$1.1m. *Key changes:*



	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
<b>Revenue</b>							
Local Revenue	430,044	372,932	57,112	1,497,509	1,491,727	5,782	1,067,465
State Revenue	2,123,589	2,307,260	(183,671)	8,920,600	10,407,630	(1,487,029)	6,797,011
Federal Revenue	85,998	1,315,060	(1,229,062)	6,202,778	6,202,728	50	6,116,780
Private Grants and Donations	355,700	55,750	299,950	557,500	557,500	0	201,800
Earned Fees	263,406	97,287	166,119	975,809	972,866	2,943	712,403
<b>Total Revenue</b>	<b>3,258,738</b>	<b>4,148,288</b>	<b>(889,551)</b>	<b>18,154,196</b>	<b>19,632,450</b>	<b>(1,478,255)</b> ①	<b>14,895,458</b>
<b>Expenses</b>							
Salaries	1,461,514	1,781,312	319,798	6,638,067	7,125,248	487,181	5,176,554
Benefits and Taxes	397,457	507,411	109,953	1,913,899	2,029,643	115,745	1,516,441
Staff-Related Costs	17,070	56,969	39,899	227,875	227,875	0	210,805
Rent	50,000	37,500	(12,500)	200,003	150,000	(50,003)	150,003
Occupancy Service	237,769	271,926	34,156	1,087,703	1,087,703	0	849,934
Student Expense, Direct	309,467	456,517	147,050	1,826,069	1,826,069	(0)	1,516,602
Student Expense, Food	257,176	273,249	16,073	1,092,995	1,092,995	0	835,819
Office & Business Expense	176,969	285,212	108,243	1,152,031	1,140,849	(11,182)	975,062
Transportation	15,974	235,390	219,416	941,560	941,560	(0)	925,586
Total Ordinary Expenses	2,923,397	3,905,486	982,088	15,080,202	15,621,943	541,740	12,156,805
Net Operating Income	335,340	242,803	92,538	3,073,994	4,010,508	(936,514)	2,738,653
<b>Extraordinary Expenses</b>							
Interest	21,058	21,058	-	84,233	84,233	0	63,175
Facility Improvements	310,000	462,509	152,509	1,850,034	1,850,034	0	1,540,034
Total Extraordinary Expenses	331,058	483,567	152,509	1,934,267	1,934,268	1	1,603,209
<b>Total Expenses</b>	<b>3,254,456</b>	<b>4,389,053</b>	<b>1,134,597</b>	<b>17,014,469</b>	<b>17,556,210</b>	<b>541,741</b> ②	<b>13,760,014</b>
<b>Net Income</b>	<b>4,282</b>	<b>(240,764)</b>	<b>245,046</b>	<b>1,139,726</b>	<b>2,076,240</b>	<b>(936,514)</b> ③	<b>1,135,444</b>
Cash Flow Adjustments	5,967	-	5,967	6,770	-	6,770	803
<b>Change in Cash</b>	<b>10,249</b>	<b>(240,764)</b>	<b>251,014</b>	<b>1,146,497</b>	<b>2,076,240</b>	<b>(929,743)</b> ⑤	<b>1,136,248</b>

① **REVENUE: \$1.5M BEHIND**  
Enrollment decrease from 1310 to 1086

② **EXPENSES: \$542K AHEAD**  
'Savings' on unfilled staff positions

③ **NET INCOME: \$937K behind**

④ **CASH ADJ: \$7K AHEAD**  
Student tech deposits & breach of contract pmts

⑤ **NET CHANGE IN CASH: \$930K BEHIND**



# 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	118,607	118,607	118,607	118,607	118,607	118,607	118,607	118,607	118,607	1,497,509
State Revenue	652,434	768,164	702,991	755,223	755,223	755,223	755,223	755,223	755,223	755,223	755,223	755,223	8,920,600
Federal Revenue	76,426	9,573	0	679,642	679,642	679,642	679,642	679,642	679,642	679,642	679,642	679,642	6,202,778
Private Grants and Donations	1,000	40,700	314,000	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	557,500
Earned Fees	95,176	0	168,230	79,156	79,156	79,156	79,156	79,156	79,156	79,156	79,156	79,156	975,809
<b>Total Revenue</b>	<b>984,485</b>	<b>963,335</b>	<b>1,310,918</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>1,655,051</b>	<b>18,154,196</b>
<b>Expenses</b>													
Salaries	538,677	442,981	479,855	554,427	585,525	578,202	554,427	554,427	579,915	564,177	567,177	638,277	6,638,067
Benefits and Taxes	139,145	131,021	127,291	166,560	168,939	168,639	166,560	166,560	168,509	167,306	168,331	175,040	1,913,899
Staff-Related Costs	6,252	5,795	5,024	23,423	23,423	23,423	23,423	23,423	23,423	23,423	23,423	23,423	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	80,950	71,780	85,039	94,437	94,437	94,437	94,437	94,437	94,437	94,437	94,437	94,437	1,087,703
Student Expense, Direct	57,590	216,955	34,922	168,511	168,511	168,511	168,511	168,511	168,511	168,511	168,511	168,511	1,826,069
Student Expense, Food	226,775	0	30,401	92,869	92,869	92,869	92,869	92,869	92,869	92,869	92,869	92,869	1,092,995
Office & Business Expense	56,179	58,803	61,988	108,340	108,340	108,340	108,340	108,340	108,340	108,340	108,340	108,340	1,152,031
Transportation	2,485	5,136	8,353	102,843	102,843	102,843	102,843	102,843	102,843	102,843	102,843	102,843	941,560
Total Ordinary Expenses	1,124,720	949,137	849,541	1,328,077	1,361,553	1,353,931	1,328,077	1,328,077	1,355,514	1,338,573	1,342,598	1,420,407	15,080,202
Operating Income	-140,235	14,198	461,377	326,974	293,498	301,120	326,974	326,974	299,537	316,478	312,453	234,644	3,073,994
<b>Extraordinary Expenses</b>													
Interest	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	84,233
Facility Improvements	281,250	28,750	0	171,115	171,115	171,115	171,115	171,115	171,115	171,115	171,115	171,115	1,850,034
Total Extraordinary Expenses	288,269	35,769	7,019	178,134	178,134	178,134	178,134	178,134	178,134	178,134	178,134	178,134	1,934,267
<b>Total Expenses</b>	<b>1,412,989</b>	<b>984,906</b>	<b>856,560</b>	<b>1,506,211</b>	<b>1,539,687</b>	<b>1,532,065</b>	<b>1,506,211</b>	<b>1,506,211</b>	<b>1,533,648</b>	<b>1,516,707</b>	<b>1,520,732</b>	<b>1,598,541</b>	<b>17,014,469</b>
<b>Net Income</b>	<b>-428,504</b>	<b>-21,571</b>	<b>454,358</b>	<b>148,840</b>	<b>115,363</b>	<b>122,986</b>	<b>148,840</b>	<b>148,840</b>	<b>121,403</b>	<b>138,344</b>	<b>134,319</b>	<b>56,510</b>	<b>1,139,726</b>
Cash Flow Adjustments	2,750	3,124	94	89	89	89	89	89	89	89	89	89	6,770
<b>Change in Cash</b>	<b>-425,755</b>	<b>-18,448</b>	<b>454,452</b>	<b>148,929</b>	<b>115,453</b>	<b>123,075</b>	<b>148,929</b>	<b>148,929</b>	<b>121,492</b>	<b>138,433</b>	<b>134,408</b>	<b>56,599</b>	<b>1,146,497</b>

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>9/30/2022</i>	<i>6/30/2023</i>
<b>Assets</b>			
Current Assets			
Cash	10,652,639	10,662,888	11,799,136
Total Current Assets	10,652,639	10,662,888	11,799,136
<b>Total Assets</b>	<b>10,652,639</b>	<b>10,662,888</b>	<b>11,799,136</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	-71,951	-65,984	-65,181
Total Current Liabilities	-71,951	-65,984	-65,181
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>-71,951</b>	<b>-65,984</b>	
<b>Equity</b>			
Unrestricted Net Assets	10,724,590	10,724,590	10,724,590
Net Income	0	4,282	1,139,726
<b>Total Equity</b>	<b>10,724,590</b>	<b>10,728,872</b>	<b>11,864,316</b>