Hope Academy

AUTHORIZER EDITION

Financial Performance

Name
Hope Academy (82983)

Year
2022-2023

Address
1091 Alter Rd
Detroit, MI 48215

Phone
(313) 542-0224

Grades Served
KG - 12

School Code
Various

Term of Agreement
2019 - 2024

Summary		
Near-Term Indicators	Current Ratio	Meets Standard
	Days Cash on Hand	Meets Standard
	Enrollment Variance	Meets Standard
	Debt Default	Does Not Meet Standard
Sustainability Indicators	Total Margin	Does Not Meet Standard
	Debt to Asset Ratio	Does Not Meet Standard
	Debt to Service Coverage Ratio	Does Not Meet Standard
	Enrollment Stability	Does Not Meet Standard
Financial Management & Oversight	Audited Financial Statement Opinion	Meets Standard
	Material Weaknesses	Does Not Meet Standard
	Significant Deficiencies	Does Not Meet Standard
	Going Concern	Does Not Meet Standard
Additional Information	Quality Financial Statements	Does Not Meet Standard

Footnote example for 2023

Near-Term Indicators

Current Ratio	Meets Standard
2023 Current Ratio	6.8
2023 Current Assets	$2,053,456.00
2023 Current Liabilities	$300,000.00
2022 Current Ratio	12.0
2022 Current Assets	$3,000,000.00
2022 Current Liabilities	$250,000.00

Why is this KPI important?	This KPI will help determine whether the school is able to pay its obligations over the next 12 months.
Meets Standard	This year's Current Ratio ≥ 1.1 OR (this year's Current Ratio ≥ 1.0 AND this year's Current Ratio > the previous year's Current Ratio) Note: for schools with only one year of data, this year's Current Ratio must be ≥ 1.1.
Does Not Meet Standard	This year's Current Ratio < 1.0 OR (this year's Current Ratio < 1.1 AND this year's Current Ratio ≤ the previous year's Current Ratio) OR (the school only has one year of data AND this year's Current Ratio must be < 1.1).
Current Ratio	Current Assets / Current Liabilities

Days Cash on Hand	Meets Standard
2023 Days Cash on Hand	39.39 days
2023 Unrestricted Cash	$450,000.00
2023 Total Expenses	$4,200,000.00
2023 Non-Cash Expenditures	$30,000.00
2022 Days Cash on Hand	4.4586826347305389221556886228 days
2022 Unrestricted Cash	$51,000.00
2022 Total Expenses	$4,200,000.00
2022 Non-Cash Expenditures	$25,000.00

Why is this KPI important?	This KPI will help determine whether the school has the cash available to pay its bills.
Meets Standard	This year's Days Cash On Hand ≥ 60 days OR (this year's Days Cash On Hand ≥ 30 days AND this year's Days Cash on Hand > the previous year's Days Cash on Hand) Note: schools in their first year of operation have 30 or more Days Cash on Hand.
Does Not Meet Standard	This year's Days Cash on Hand < 30 days OR (this year's Days Cash on Hand < 60 days AND this year's Days Cash on Hand ≤ the previous year's Days Cash on Hand).
Days Cash on Hand	Unrestricted Cash / ((Total Expenses - Non-Cash Expenditures) / 365)

Enrollment Variance	Meets Standard
Enrollment Variance	105%
Actual Enrollment	445
Budgeted Enrollment	425

Why is this KPI important?	This KPI will help determine whether the school's budgeted enrollment is reasonable.
Meets Standard	Enrollment Variance ≥ 95%.
Does Not Meet Standard	Enrollment Variance < 95%.
Enrollment Variance	100 * (Actual Enrollment / Budgeted Enrollment)

Debt Default	Does Not Meet Standard
Is the school in default and/ or delinquent on loans?	Yes

Why is this important?	This shows whether the school is meeting its debt obligations or covenants.
Meets Standard	The school is not in default of loan covenant(s) AND the school is not delinquent with debt service payments.
Does Not Meet Standard	The school is in default of loan covenant(s) AND/OR the school is not delinquent with debt service payments.

Sustainability Indicators

Total Margin	Does Not Meet Standard
Aggregated 3-Year Total Margin	-0.4%
2023 Total Margin	-37.7%
2023 Total Revenue	$3,050,000.00
2023 Total Expenses	$4,200,000.00
2022 Total Margin	-40.0%
2022 Total Revenue	$3,000,000.00
2022 Total Expenses	$4,200,000.00
2021 Total Margin	-40.0%
2021 Total Revenue	$3,000,000.00
2021 Total Expenses	$4,200,000.00
Aggregated 2-Year Total Margin	-0.4%

Why is this KPI important?	This KPI will help determine whether the school is living within its means.
Meets Standard	(Aggregated 3-Year Total Margin > 0 AND this year's Total Margin > 0) OR (Aggregated 3-Year Total Margin > -1.5% AND this year's Total Margin > last year's Total Margin AND this year's Total Margin > 0). Note: Schools in only their second year of operation must have Aggregated 2-Year Total Margin > 0. Schools in their first year of operation must have this year's Total Margin > 0.
Does Not Meet Standard	(This year's Total Margin ≤ 0) OR (Aggregated 3-Year Total Margin ≤ -1.5%) OR ((Aggregated 3-Year Total Margin > -1.5%) AND this year's Total Margin ≤ last year's Total Margin) OR (the school is in only their second year of operation AND Aggregated 2-Year Total Margin ≤ 0) OR (the school is in their first year of operation AND this year's Total Margin ≤ 0.
Total Margin	(Revenue - Expenses) / Revenue
Aggregated 3-Year Total Margin	((This Year's Revenue - This Year's Expenses) + (Last Year's Revenue- Last Year's Expenses) + (Two Years Ago's Revenue - Two Years Ago's Expenses)) ÷ (This Year's Revenue + Last Year's Revenue + Two Years Ago's Revenue)

Debt to Asset Ratio	Does Not Meet Standard
Debt to Asset Ratio	0.7
Total Assets	$500,000.00
Total Liabilities	$340,000.00

Why is this KPI important?	This KPI will help determine whether the school owns more in assets than it owes in liabilities.
Meets Standard	Debt to Asset Ratio < .9.
Does Not Meet Standard	Debt to Asset Ratio ≥ .9.
Debt to Asset Ratio	Total Assets / Total Liabilities

Debt to Service Coverage Ratio	Does Not Meet Standard
Debt to Service Coverage Ratio	-126.70
Revenue	$3,050,000.00
Total Expenses	$4,200,000.00
Depreciation & Amortization	$5,000.00

Interest Expense	$5,000.00
Projected Payments [Interest & Principle for next year]	$9,000.00

Why is this KPI important?	This KPI will help determine whether the school has the ability to pay its debt obligations due in the coming year with the current net income.
Meets Standard	Debt to Service Coverage Ratio ≥ 1.10 OR the school does not have a loan.
Does Not Meet Standard	Debt to Service Coverage Ratio < 1.10.
Debt to Service Coverage Ratio	((Revenue - Total Expenses) + Depreciation & Amortization + Interest Expense) / (Projected Payments [Interest & Principle for next year])

Enrollment Stability	Does Not Meet Standard
2023 Current Enrollment Stability	111.25%
2023 5-Year Enrollment Stability	47.34%
2023 Actual Enrollment	445
2022 Actual Enrollment	400
2019 Actual Enrollment	940

Why is this KPI important?	This KPI will help determine whether the school's enrollment is stable over time.
Meets Standard	Current Enrollment Stability ≥ 97% AND 5-Year Enrollment Stability ≥ 97%.
Does Not Meet Standard	Current Enrollment Stability < 97% OR 5-Year Enrollment Stability < 97%.
Not Applicable	Not Enough Data
Current Enrollment Stability	100 * this year's Actual Enrollment / last year's Actual Enrollment
5-Year Enrollment Stability	100 * this year's Actual Enrollment / four years ago's Actual Enrollment

Financial Management & Oversight

Audited Financial Statement Opinion	Meets Standard
Does the audit have an unqualified or unmodified opinion?	Unqualified

Why is this important?	This will help determine whether the audited financial statements are presented fairly
Meets Standard	The auditor's opinion is unqualified or unmodified.
Does Not Meet Standard	The auditor's opinion is neither unqualified nor unmodified.

Material Weaknesses	Does Not Meet Standard
How many material weaknesses did the audit find?	1

Why is this important?	This shows whether the audit includes any material weaknesses that if not addressed could lead to financial statements that are not presented fairly.
Meets Standard	The auditor did not identify any material weaknesses.
Does Not Meet Standard	The auditor identified one or more material weaknesses.

Significant Deficiencies	Does Not Meet Standard
How many significant deficiencies did the audit find?	2

Why is this important?	This shows whether the audit includes any significant deficiencies that are less severe than a material weakness, yet important enough to merit attention.
Meets Standard	The auditor did not identify any significant deficiencies.

Does Not Meet Standard	The auditor identified one or more significant deficiencies.

Going Concern	Does Not Meet Standard
Is the audit free of a going concern note from the auditor?	Yes

Why is this important?	This shows whether the audit includes a going concern note, signaling that a school may not be financially viable.
Meets Standard	The auditor did not note a going concern issue.
Does Not Meet Standard	The auditor noted a going concern issue.

Additional Information

Quality Financial Statements	Does Not Meet Standard
Number of Financial Statements Scheduled	4
Number of Requirements Satisfied	4
On -Time Percentage	75%
Percent of Statements With Good Quality Rating	25
Number of Statements Quality Rated	4

Exceeds the Standard	All statements were given good quality ratings (Exceeds or Meets) and were all on time.
Meets the Standard	All statements were given good quality ratings (Exceeds or Meets).
Partially Meets the Standard	75% or more of statements were given good quality ratings (Exceeds or Meets).
Does Not Meet Standard	Less than 75% of statements were given good quality ratings (Exceeds or Meets).
Needs Quality Ratings	Not all of the satisfied Financial Statement requirements for this time period have been given a quality rating.