

EARLY CHILDHOOD ACADEMY PCS

FY2016 Financial Report Card

Audited Enrollment:

262

KEY FINANCIAL INDICATORS

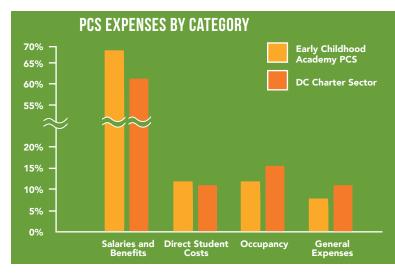
	Does Not Meet Expecta	tions Floor	Target	Exceed	ds Expect	ations
		I	1	5.0%	8.7 %	12.8%
Change in Net Assets Margin:				•		
= (Total Revenues – Total Expenses)	-00	-5.0%	0.0%			+∞
÷ Operating Revenues		l	I	6.1%	11.2%	12.4%
Aggregated Three-Year Margin:				•		
= Change in Net Assets for 3-Year Period	-00	-1.5%	0.0%			+∞
÷ Operating Revenues for Same Period				-0.4% 0.0%		
Enrollment Variance:				▼ ●		
= (Audited Enrollment - Budgeted	-00	-10.0%	-5.0%			+∞
Enrollment) ÷ Budgeted Enrollment		I		2.78	20.85	26 16
Current Ratio:						
= Current Assets ÷ Current Liabilities	-00	0.70	1.00			+∞
- Current Assets · Current Liabilities				8.1% 9.5%		15.4%
Cash Flow from Operations Margin:						
= Cash Flows from Operations	-00	-2.0%	0.0%			+∞
÷ Operating Revenues		-2.0%	0.0%	79.4	352.4	
Days of Cash on Hand:				17.4	332.4	
= Unrestricted Cash		15 Days	45 Days			+∞
÷ (Operating Expenses ÷ 360)			0.57		0.05	5 0.04
Debt Ratio:			0.57		0.05	
= Total Liabilities ÷ Total Assets	-00	0.90	0.50			+∞
		I				
Debt Service Coverage Ratio:						
= EBITDA / (Scheduled Payments – Balloon	-00	1.00	1.20			+∞
Payment* + Interest Paid		I		34.0%	99.6 % 1	04.2%
Primary Reserve Ratio:						
= (Unrestricted Net Assets + Temporarily Restricted	-00	0.0%	25.0%			+∞
Net Assets - Intangible Assets) ÷ Total Expenses						
Unresolved Prior Year Findings:	0 Debt	Compliance Issue - Financial: N	lo Debt Compliand	ce Issue - Rep	orting	: No
		•		.1	5	
* Balloon Payment Amount:	0	● = 2016 Sector Median ▼ = 2016 Sc	hool Results = 2015 School Re	sults		
Bailoon Fayment Antount.	-	2010 Sector Mediant + - 2010 Sector				

Comments from the School

Opened:

2005 - 2006





Early Childhood Academy PCS Financial Audit Review Report

EARLY CHILDHOOD ACADEMY PCS

FY2016 Financial Report Card

FINANCIAL POSITION

	2016	2015
Total Assets	\$5,029,696	\$4,619,083
Current Assets	\$4,836,958	\$4,470,039
Total Liabilities	\$184,868	\$218,188
Current Liabilities	\$184,868	\$214,438
Net Asset Position	\$4,844,828	\$4,400,895

FINANCIAL ACTIVITIES

	2016	2015
Revenues and Support	\$5,092,237	\$5,067,743
Expenses	\$4,648,304	\$4,417,229
Non-operating Revenues (Expenses)	\$-	\$-
Surplus (Deficit)	\$443,933	\$650,514

AUDIT FINDINGS

	2010	2015
Qualified/Modified/Adverse Opinion on the Financial Statements	Νο	Νο
Material Weakness in Internal Control over Financial Reporting (GAS)	Νο	Νο
Non-compliance Material to the Financial Statements (GAS)	Νο	Νο
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	Νο	Νο
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	Νο	Νο
Findings and Questioned Costs	0	0
Going-Concern Issue	Νο	Νο

REVENUES/EXPENSES PER STUDENT

	2016	2015	2016 Sector Median
DC Funding per Student	\$16,896	\$17,135	\$17,657
Philanthropic Funding per Student	\$821	\$461	\$581
Total Revenues per Student	\$19,436	\$19,567	\$20,775
Expenses per Student	\$17,742	\$17,055	\$19,644

PCSB OBSERVATIONS

FACILITIES:

The school signed a letter of intent related to a lease-to-own agreement for a building and land located at 885 Barnaby St, SE. As of June 30, 2016, the school paid \$50,000 for pre-development costs. If the School elects not to purchase the property, the rental rate would be adjusted at the 11th year of the lease term to the then market rate.

\$224,304 rent expense at year-end under lease agreement with DC Baptist Convention for building at 4025 9th St, SE (Johenning facility). Two-year extension through June 30, 2018.

\$175,583 rent expense under lease agreement with Crawford Edgewood Mangers, Inc. for building at 4301 9th St, SE (Walter Washington facility). Two-year extension through June 30, 2018.