

ROOTS PCS FY2016 Financial Report Card

Audited Enrollment:

106

KEY FINANCIAL INDICATORS

		IUIAL INDIGATORIO			
	Does Not Meet Expectations	Floor	Target	Exceeds Expe	ectations
		-5.8%	-1.0%	5.0%	
Change in Net Assets Margin:			•	•	
= (Total Revenues – Total Expenses)	-00	-5.0%	0.0%		+∞
÷ Operating Revenues		I	-0.3% 1.1	6.1 %	
Aggregated Three-Year Margin:			V		
= Change in Net Assets for 3-Year Period	-00	-1.5%	0.0%		+∞
÷ Operating Revenues for Same Period				0.0%	11.6%
Enrollment Variance:				\bullet	
= (Audited Enrollment - Budgeted	-00	-10.0%	-5.0%		+∞
Enrollment) ÷ Budgeted Enrollment				2.78 6.66	13.58
Current Ratio:					
= Current Assets ÷ Current Liabilities	-00	0.70	1.00		+∞
	-5.0% -4.6%			9.5%	
Cash Flow from Operations Margin:				•	
= Cash Flows from Operations	-00	-2.0%	0.0%		+∞
÷ Operating Revenues				79.4 86.5	234.8
Days of Cash on Hand:				• •	
= Unrestricted Cash	-00	15 Days	45 Days		+∞
÷ (Operating Expenses ÷ 360)			0.57	0.14	0.07
Debt Ratio:					
= Total Liabilities ÷ Total Assets	-00	0.90	0.50		+∞
Debt Service Coverage Ratio:					
= EBITDA / (Scheduled Payments – Balloon	-00	1.00	1.20		+∞
Payment* + Interest Paid)				34.0% 61.2%	64.3%
Primary Reserve Ratio:				• •	
= (Unrestricted Net Assets + Temporarily Restricted		0.0%	25.0%		+∞
Net Assets - Intangible Assets) ÷ Total Expenses					
Unresolved Prior Year Findings:	0 Debt Comp	liance Issue - Financial: No	Debt Comp	liance Issue - Reportin	g: No
* Balloon Payment Amount:	0 • = 201	16 Sector Median 🛛 🔻 = 2016 School Result	s 📃 = 2015 Sch	ool Results	

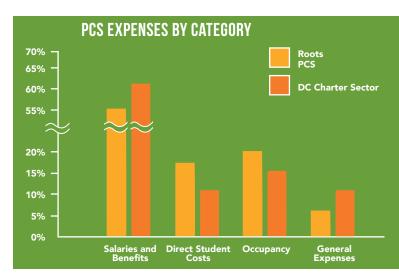
Comments from the School

Opened:

1999 - 2000

Liquidity - Days of Cash on Hand - This should be 216.9 because Roots' Certificates of Deposit (\$646,549) are unrestricted cash and available to Roots on demand.

Total Expenses & Expenses per student - Roots provided education and services to 109 students during the fiscal year but received per pupil payment for only 105. Expenses per student was calculated on 105 students. If Roots had received payments for the remaining 4 students, the School's financial metrics would look stronger.



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FINANCIAL POSITION

	2016	2015
Total Assets	\$1,252,125	\$1,372,270
Current Assets	\$1,150,743	\$1,243,316
Total Liabilities	\$84,709	\$186,708
Current Liabilities	\$84,709	\$186,708
Net Asset Position	\$1,167,416	\$1,185,562

FINANCIAL ACTIVITIES

	2016	2015
Revenues and Support	\$1,890,886	\$1,743,107
Expenses	\$1,909,032	\$1,843,947
Non-operating Revenues (Expenses)	\$-	\$-
Surplus (Deficit)	\$(18,146)	\$(100,840)

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	No
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	\$16,028	\$16,755	\$17,657
Philanthropic Funding per Student	\$616	\$229	\$581
Total Revenues per Student	\$17,839	\$18,349	\$20,775
Expenses per Student	\$18,010	\$19,410	\$19,644

PCSB OBSERVATIONS

RELATED PARTY TRANSACTIONS:

The School paid approximately \$400,000 to two related parties in 2016, 15 Kennedy Street Associates, LP, and Roots Activity Learning Center. The School's founder and principal is the principal or owner of both organizations. Payments include:

\$322,071 for two leases expiring May 2018, one for the School's main building, leased from 15 Kennedy Street Associates; and one for the School's pre-primary facility, leased from Roots Activity Learning Center.

\$71,726 to Roots Activity Learning Center for the operation and administration of the Summer School Program for first through fifth grade students.

In addition, the School paid \$23,610 to the Chair of the Board of Directors, who serves as the School's legal counsel, for representing the School in legal matters and for providing staff training on child abuse and neglect.

OTHER:

\$822,415 Board designated reserve fund for future operations.