## POTOMAC PREPARATORY PCS FY2015 Financial Report Card

FINANCIAL SNAPSHOT			FINANCIAL DASHBOARD	FY2015	FY2014	FY15 Sector Median	<u>Indicator</u> <u>of</u> <u>Concern</u>
PROFILE			FINANCIAL PERFORMANCE				
First Year of Operation: 2008-	-09 <b>FY2015</b>	FY2014	Operating Surplus (Deficit)	\$556,576	\$40,003	\$634,546	< 0
DC Funding Allocation	\$7,552,967	\$6,213,580	Enrollment Variance	9.0%	(new measure)	0%	< (5.0%)
Federal Awards	\$707,213	\$486,125	Earnings before Depreciation	\$631,431	\$75,046	\$994,524	< 0
Unrestricted Cash, end of year	\$945,779	\$292,109	Aggregated 3-Year Total Margin	2.6%	2.4%	5.7%	< (1.5%)
CAAD ETNANCIAL C			LIQUIDITY				
GAAP FINANCIALS			Current Ratio	2.2	1.3	2.8	< 1.0
Financial Position	FY2015	FY2014	Days of Cash on Hand	43	15	82	< 30
Total Assets	\$1,347,244	\$653,139	Cash Flow from Operations	\$797,265	\$167,241	\$1,153,709	< 0
Current Assets	\$1,141,015	\$490,443	Three-Year Cumulative Cash Flow	\$746,101	(\$87,536)	\$591,063	< 0
Total Liabilities	\$529,140	\$391,609	DEBT BURDEN				
Current Liabilities	\$529,140	\$386,799	Debt Ratio	0.20	0.60	0.50	0.00
Net Asset Position	\$818,104	\$261,530	Modified Debt Service Ratio	0.39	0.60 16.9%		> 0.92 > 15.0%
Financial Activities				11.6%	16.9%	9.9%	> 15.0%
Support and Revenues	\$8,458,615	\$6,824,707	SUSTAINABILITY				
Expenses	\$7,902,039	\$6,784,704	Net Asset Position	\$818,104	\$261,530	\$2,721,041	< 0
Non-operating Revenue (Expense	e) \$0	\$0	Primary Reserve Ratio	0.10	0.04		< 0.00
Surplus (Deficit)	\$556,576	\$40,003	TRENDING MEASURES	FY2015	FY2014		FY15
SCHOOL'S COMMENTS				112015	112017	112015	<u>Sector</u> <u>Median</u>
			Audited Enrollment	425	423	397	373
			Total Revenues per Student	\$19,903	\$16,134		\$21,309
			DC Funding per Student	\$17,772	\$14,689		\$17,860
			Expenses per Student	\$18,593	\$16,039		\$19,634
			Program Expenses per Student	\$12,544	\$14,037		\$15,583
			G&A Expense Ratio	32%	12%		14%
			Personnel Expense Ratio	52%	53%		58%
			Occupancy Expense Ratio	17%	19%		15%

## POTOMAC PREPARATORY PCS FY2015 Financial Report Card

FINANCIAL AUDIT		OBSERVATIONS				
AUDITOR FY2015: Bert Smith & Co. FY2014: Bert Smith & Co.  SUMMARY OF FY2015 AUDIT RESULTS  Opinion on the Financial Statements (GAAP) Material Weaknesses in Internal Control over Financial Reporting (GAS) Noncompliance Material to the Financial Statements (GAS) Opinion on Major Federal Award Programs (A133) Material Weaknesses in Internal Control over Compliance with Major Federal Programs (A133) Findings and Questioned Costs Unresolved Prior Year Audit Findings Going-Concern Issue	DPINION DATE   11/11/2015   11/11/2014   Unmodified   No   None   Unmodified   No   O   O   O   No   No   No   O   O   No   No	OBSERVATIONS  OBSERVATIONS ON THE FY2015 FINANCIAL STATEMENTS  FACILITIES: \$979,144 rent expense under 2009 occupancy lease for building located at 4401 8th Street, NE. School has right to purchase the building.  OTHER: Prior year audit findings were noted as corrected during 2015. \$178,200 amount due from the District as a pass-through for the annual per pupil allotment.  When the School terminated its management agreement with Lighthouse Academies, it changed its name from Potomac Lighthouse PCS effective July 1, 2014.  ADDITIONAL COMMENTS  The DC PCSB Board voted to revoke the charter of Potomac Preparatory PCS, effective after the close of the 2015-16 school year.				
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