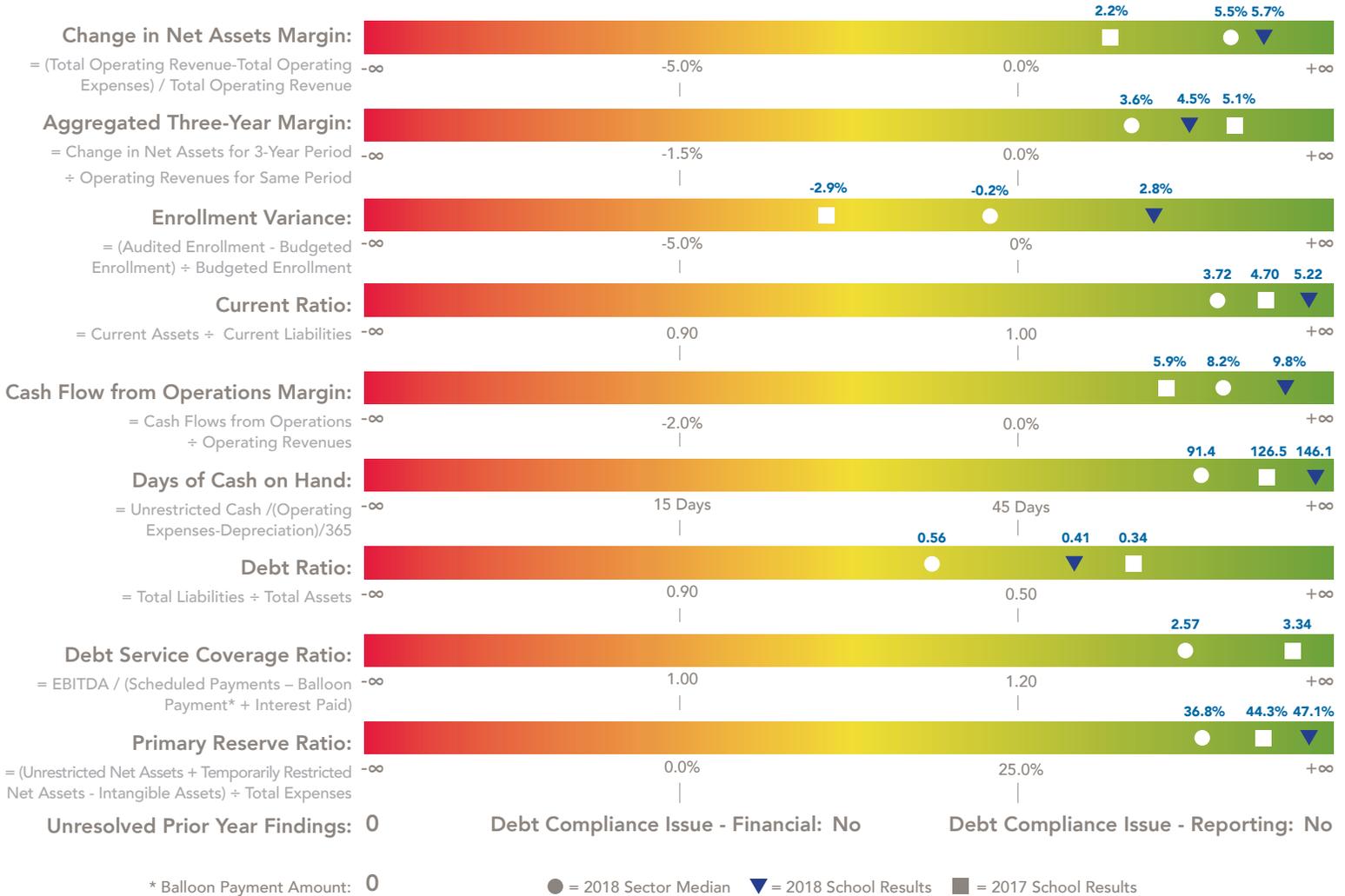
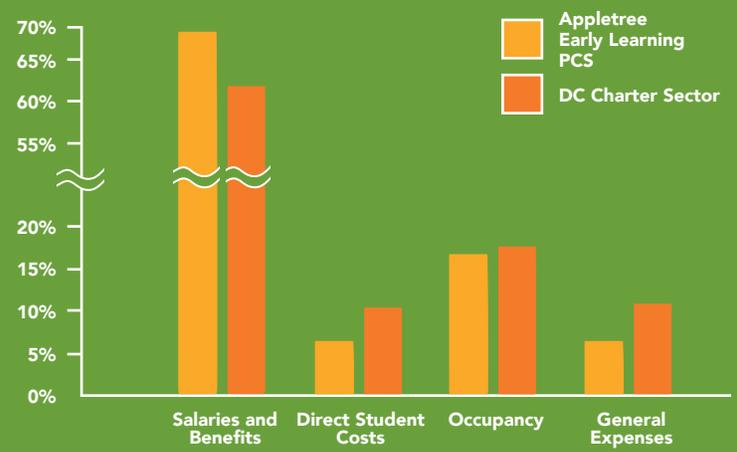


KEY FINANCIAL INDICATORS



Comments from the School

PCS EXPENSES BY CATEGORY



APPLETREE EARLY LEARNING PCS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	\$10,917,560	\$8,506,591
Current Assets	\$5,822,743	\$4,615,341
Total Liabilities	\$4,470,272	\$2,889,970
Current Liabilities	\$1,116,051	\$982,713
Net Asset Position	\$6,447,288	\$5,616,621

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$14,531,325	\$12,970,221
Expenses	\$13,700,658	\$12,679,049
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$830,667	\$291,172

AUDIT FINDINGS

	2018	2017
Qualified/Modified/Adverse Opinion on the Financial Statements	No	No
Material Weakness in Internal Control over Financial Reporting (GAS)	No	No
Non-compliance Material to the Financial Statements (GAS)	No	No
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	No	No
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	No	No
Findings and Questioned Costs	0	0
Going-Concern Issue	No	No

REVENUES/EXPENSES PER STUDENT

	2018	2017	2018 Sector Median
DC Funding per Student	\$19,208	\$18,128	\$19,243
Grants and Contributions Per Student	\$728	\$508	\$492
Total Revenues per Student	\$22,253	\$20,555	\$22,382
Expenses per Student	\$20,981	\$20,094	\$21,375

PCSB OBSERVATIONS

The local education agency's financial indicators reflected positive short-term and long-term positions. Specifically, the school's current ratio increased to 5.22 in the current year as a result of a strong cash flow from operations margin at 9.8%. The school had 146 days of cash for FY 2018, which was more than adequate for its short-term liquidity needs. Further, the school had an aggregate three-year margin of 4.5%, indicating that, on average, the school operated with a 4.5% operating surplus, exhibiting financial stability.

The school has lease agreements with AppleTree Institute (ATI), a related party, for facilities at Columbia Heights, Oklahoma Avenue, Parkland, and Lincoln Park. The school also has a sublease with ATI for office space at Michigan Avenue, NE. Moreover, the school leases certain property from AppleTree Columbia Heights LLC, which is an affiliate of ATI. In addition to these leases, the school has a license to occupy agreement with the District of Columbia to provide a public charter school on the premises of Jefferson Middle School. In total, the school had rent expenses and licensing fees of \$1.4M in FY 2018.

School Name	FY18 Revenues	FY18 Operating Result
AppleTree Early Learning PCS	\$14,531.325	\$830,667
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
AppleTree Institute for Education Innovation	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Jack McCarthy	President/CEO	\$225,848
Services Provided	FY18 Payment	% of School Revenue
Shared services + Rent	\$700,978	
Total	\$700,978	

DC PCSB Comments

The school was designed by AppleTree Institute for Education Innovation Inc. (the Institute). The Institute supports the school as a strategic partner, with a commitment to fund any operating shortfalls of the school. The school and AppleTree Institute share common board members. The school rents four facilities from the Institute. Effective July 1, 2015, the school entered into a services agreement with the Institute outlining the division of specific operating costs. During 2018, the Institute incurred \$984,447 of expenses for shared payroll and administrative costs provided by the school.

Please note that the highest paid employee above was taken from the most recent 990 available at the time this report was produced.

School Comments