BRIDGES PCS

FY2019 Financial Analysis Report

DC PUBLIC CHARTER SCHOOL BOARD

Opened: 2005-2006

Audited Enrollment: 412

KEY FINANCIAL INDICATORS

Change in Net Assets Margin: = (Total Operating Revenue-Total Operating Expenses) / Total Operating Revenue

Aggregated Three-Year Margin: = Change in Net Assets for 3-Year Period ÷ Operating Revenues for Same Period

Enrollment Variance: = (Audited Enrollment - Budgeted Enrollment) ÷ Budgeted Enrollment

Current Ratio: = Current Assets ÷ Current Liabilities

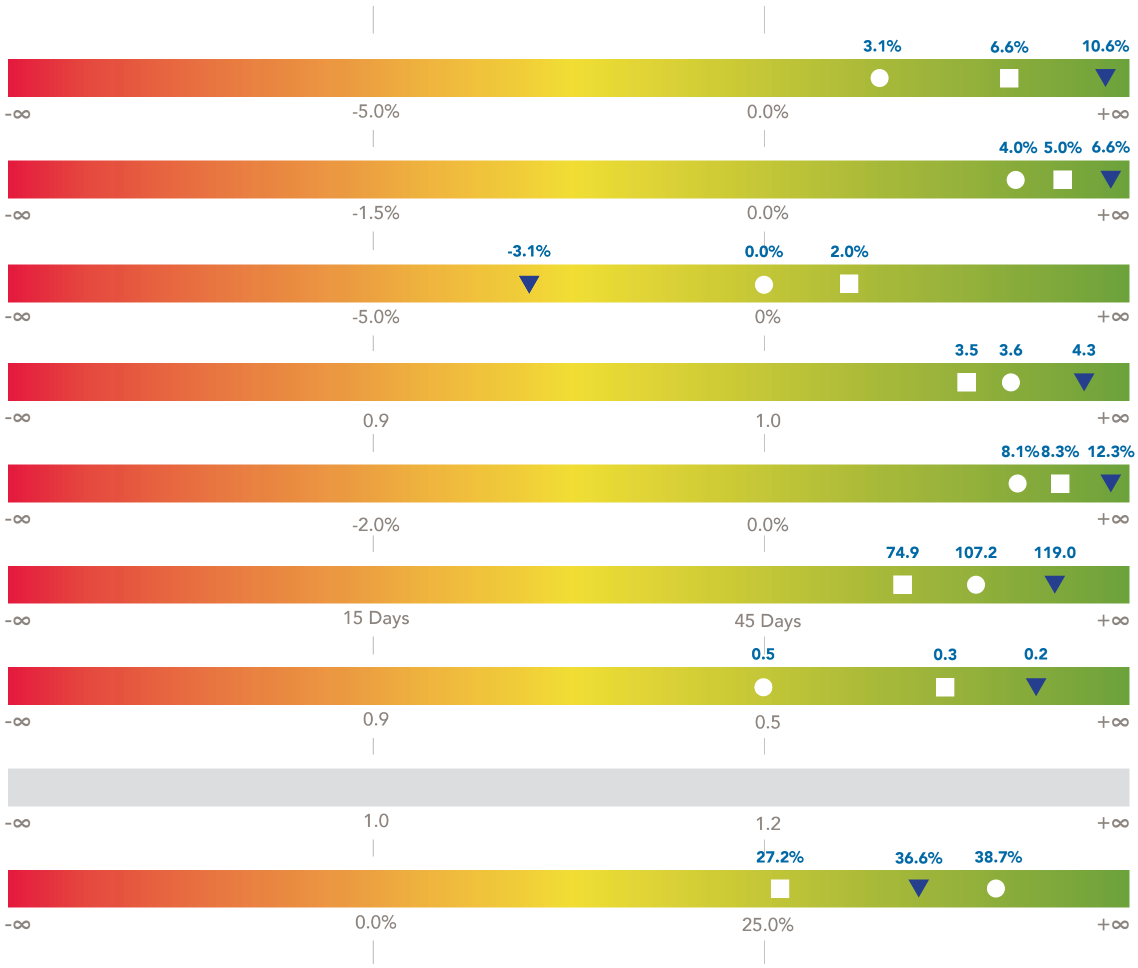
Cash Flow from Operations Margin: = Cash Flows from Operations ÷ Operating Revenues

Days of Cash on Hand: = Unrestricted Cash /(Operating Expenses-Depreciation)/365

Debt Ratio: = Total Liabilities ÷ Total Assets

Debt Service Coverage Ratio: = EBITDA / (Scheduled Payments – Balloon Payment* + Interest Paid)

Primary Reserve Ratio: = (Unrestricted Net Assets + Temporarily Restricted Net Assets - Intangible Assets) ÷ Total Expenses



Unresolved Prior Year Findings: 0

Debt Compliance Issue - Financial: 0

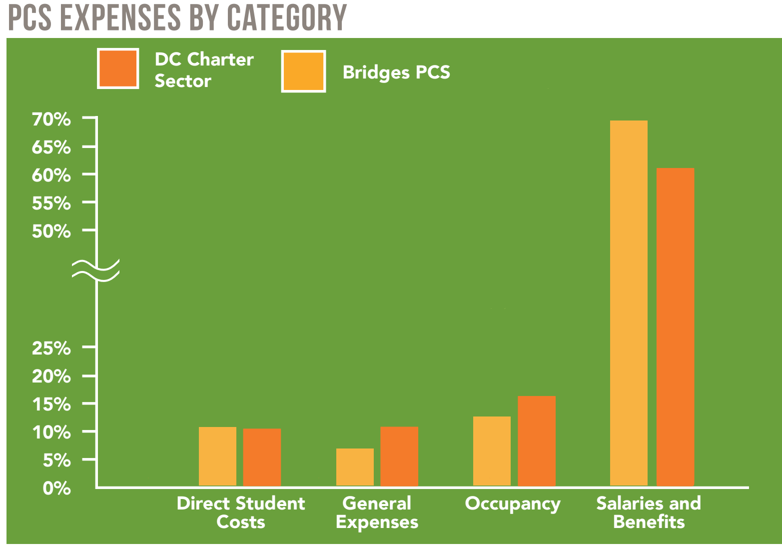
Debt Compliance Issue - Reporting: 0

* Balloon Payment Amount: 0

● = 2019 Sector Median ▼ = 2019 School Results ■ = 2018 School Results

Comments from the School

PCS EXPENSES BY CATEGORY



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FINANCIAL POSITION

	2019	2018
Total Assets	$5,934,626	$4,270,836
Current Assets	$5,002,903	$3,171,944
Total Liabilities	$1,475,428	$1,246,981
Current Liabilities	$1,158,830	$915,626
Net Asset Position	$4,459,198	$3,023,855

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	$13,604,228	$11,911,205
Expenses	$12,168,885	$11,121,440
Non-operating Revenues (Expenses)	$0	$0
Surplus (Deficit)	$1,435,343	$789,765

AUDIT FINDINGS

	2019	2018
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

	2019	2018	2019 Sector Median
DC Funding per Student	$29,490	$27,483	$19,863
Grants and Contributions Per Student	$406	$398	$346
Total Revenues per Student	$33,020	$29,853	$23,270
Expenses per Student	$29,536	$27,873	$22,981

PCSB OBSERVATIONS

The school had a strong financial position. The school exceeded all DC PCSB standards with the exception of the enrollment variance. Moreover, the school showed improvement from 2018: cash flow from operations margin increased to 12.3% from 8.3%, days of cash on hand increased to 119 from 75, and the current ratio improved to 4.3 from 3.5. The school has a very low debt ratio and primary reserves of over 36%.

Debt :
Guarantee of indebtedness: Bridges PCS & Briya PCS each are guarantors on 50% of a $1.3M loan obtained to purchase the school facility they share. Along with being guarantors, each school must always comply with a number of financial covenants.

Property Lease:
1. Mamie D. Lee LLC was formed in 2015 by Bridges PCS and Briya PCS for the purpose of leasing property from the District of Columbia to renovate, maintain, and rent space to the two member charter schools. Each school has equal 50% voting rights in the LLC.
2. The school is in a 30-year use agreement with Mamie D. Lee to occupy a portion of a new school building on Gallatin Street, NE. Rent expense related to this lease for 2019 was $1.4M.
3. The school is in a seven-year lease agreement with JRK Family Investments LLC for a building on Taylor Street, NW. Total rent expense for fiscal year 2019 was $307K.