DC PUBLIC CHARTER SCHOOL BOARD

CEDAR TREE ACADEMY PCS

FY2019 Financial Analysis Report

Opened: 2001-2002

Audited Enrollment: 359

KEY FINANCIAL INDICATORS

Indicator	Formula	Scale	2019 Sector Median	2019 School Results	2018 School Results
Change in Net Assets Margin	= (Total Operating Revenue-Total Operating Expenses) / Total Operating Revenue	-∞, -5.0%, 0.0%, +∞	3.1%	11.9%	7.9%
Aggregated Three-Year Margin	= Change in Net Assets for 3-Year Period ÷ Operating Revenues for Same Period	-∞, -1.5%, 0.0%, +∞	4.0%	10.0%	9.1%
Enrollment Variance	= (Audited Enrollment - Budgeted Enrollment) ÷ Budgeted Enrollment	-∞, -5.0%, 0%, +∞	0.0%	0.0%	0.0%
Current Ratio	= Current Assets ÷ Current Liabilities	-∞, 0.9, 1.0, +∞	3.6	14.9	15.8
Cash Flow from Operations Margin	= Cash Flows from Operations ÷ Operating Revenues	-∞, -2.0%, 0.0%, +∞	8.1%	15.7%	10.6%
Days of Cash on Hand	= Unrestricted Cash /(Operating Expenses-Depreciation)/365	-∞, 15 Days, 45 Days, +∞	107.2	592.6	536.6
Debt Ratio	= Total Liabilities ÷ Total Assets	-∞, 0.9, 0.5, +∞	0.5	0.2	0.3
Debt Service Coverage Ratio	= EBITDA / (Scheduled Payments – Balloon Payment* + Interest Paid)	-∞, 1.0, 1.2, +∞	2.2	1.7	1.9
Primary Reserve Ratio	= (Unrestricted Net Assets + Temporarily Restricted Net Assets - Intangible Assets) ÷ Total Expenses	-∞, 0.0%, 25.0%, +∞	38.7%	212.4%	189.5%

Unresolved Prior Year Findings: 0

Debt Compliance Issue - Financial: 0

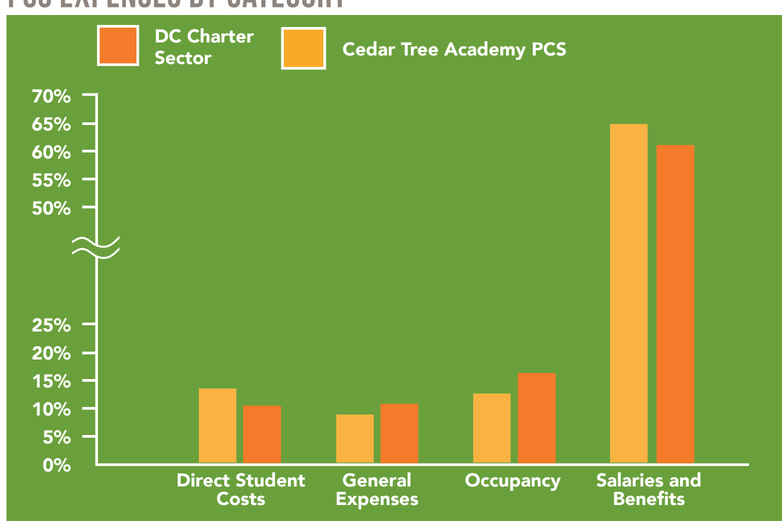
Debt Compliance Issue - Reporting: 0

* Balloon Payment Amount: 0

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

Comments from the School

PCS EXPENSES BY CATEGORY



CEDAR TREE ACADEMY PCS

FY2019 Financial Analysis Report

FINANCIAL POSITION

	2019	2018
Total Assets	$20,631,639	$20,617,674
Current Assets	$11,627,243	$11,305,509
Total Liabilities	$5,018,724	$5,747,900
Current Liabilities	$781,565	$717,435
Net Asset Position	$15,612,915	$14,869,774

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	$8,347,338	$8,520,719
Expenses	$7,350,725	$7,845,569
Non-operating Revenues (Expenses)	-$253,472	$187,358
Surplus (Deficit)	$743,141	$862,508

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	$20,003	$19,433	$19,863
Grants and Contributions Per Student	$0	$0	$346
Total Revenues per Student	$23,252	$22,364	$23,270
Expenses per Student	$20,476	$20,592	$22,981

PCSB OBSERVATIONS

The school had an exceptionally strong financial position. The change in net assets margin increased to 11.9% from 7.9%, and cash flow from operations margin increased to 15.7% from 10.6%.
Additionally, the school had 592 days of cash on hand, which means that if it were to lose all future revenues, Cedar would be able to pay expenses without interrupting education for over 18 months. The school had a primary reserve ratio of 212%. We note for the second year in a row that this provides an opportunity to invest additional resources back into the school.

Debt:
1. The school refinanced bonds through BB&T in 2012 that mature in 2024. There is $2.8M outstanding and requires $3.0M in cash liquidity at all times.
2. The school has a second loan from BB&T for the MLK campus that matures in 2024 and has outstanding balance of $2.0M.