**Key Financial Indicators**

- **Change in Net Assets Margin:**
  \[
  \text{Margin} = \frac{\text{Total Operating Revenue} - \text{Total Operating Expenses}}{\text{Total Operating Revenue}}
  \]
  - 3.1%  |  7.9%  |  11.9%

- **Aggregated Three-Year Margin:**
  \[
  \text{Margin} = \frac{\text{Change in Net Assets for 3-Year Period}}{\text{Operating Revenues for Same Period}}
  \]
  - 4.0%  |  9.1%  |  10.0%

- **Enrollment Variance:**
  \[
  \text{Variance} = \frac{\text{Audited Enrollment} - \text{Budgeted Enrollment}}{\text{Budgeted Enrollment}}
  \]
  - -5.0%  |  0.0%  |  -1.5%

- **Current Ratio:**
  \[
  \text{Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}
  \]
  - 3.6  |  14.9  |  15.8

- **Cash Flow from Operations Margin:**
  \[
  \text{Margin} = \frac{\text{Cash Flows from Operations}}{\text{Operating Revenues}}
  \]
  - -2.0%  |  0.0%  |  -2.0%

- **Days of Cash on Hand:**
  \[
  \text{Days} = \frac{\text{Unrestricted Cash} - \text{Depreciation}}{\text{Operating Expenses}} / 365
  \]
  - 15 Days  |  45 Days
  - 0.5  |  0.3  |  0.2

- **Debt Ratio:**
  \[
  \text{Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}
  \]
  - 1.7  |  1.9  |  2.2

- **Debt Service Coverage Ratio:**
  \[
  \text{Ratio} = \frac{\text{EBITDA}}{\text{Scheduled Payments} - \text{Balloon Payment} + \text{Interest Paid}}
  \]
  - 1.0  |  1.2

- **Primary Reserve Ratio:**
  \[
  \text{Ratio} = \frac{\text{Unrestricted Net Assets} + \text{Temporarily Restricted Net Assets} - \text{Intangible Assets}}{\text{Total Expenses}}
  \]
  - 0.0%  |  25.0%

**Unresolved Prior Year Findings:**
- 0

**Debt Compliance Issue - Financial:**
- 0

**Debt Compliance Issue - Reporting:**
- 0

* Balloon Payment Amount: 0

**Comments from the School**

**PCS Expenses by Category**

- **DC Charter Sector**
- **Cedar Tree Academy PCS**

- Direct Student Costs
- General Expenses
- Occupancy
- Salaries and Benefits

- 25%
- 20%
- 15%
- 10%
- 5%
- 0%
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.