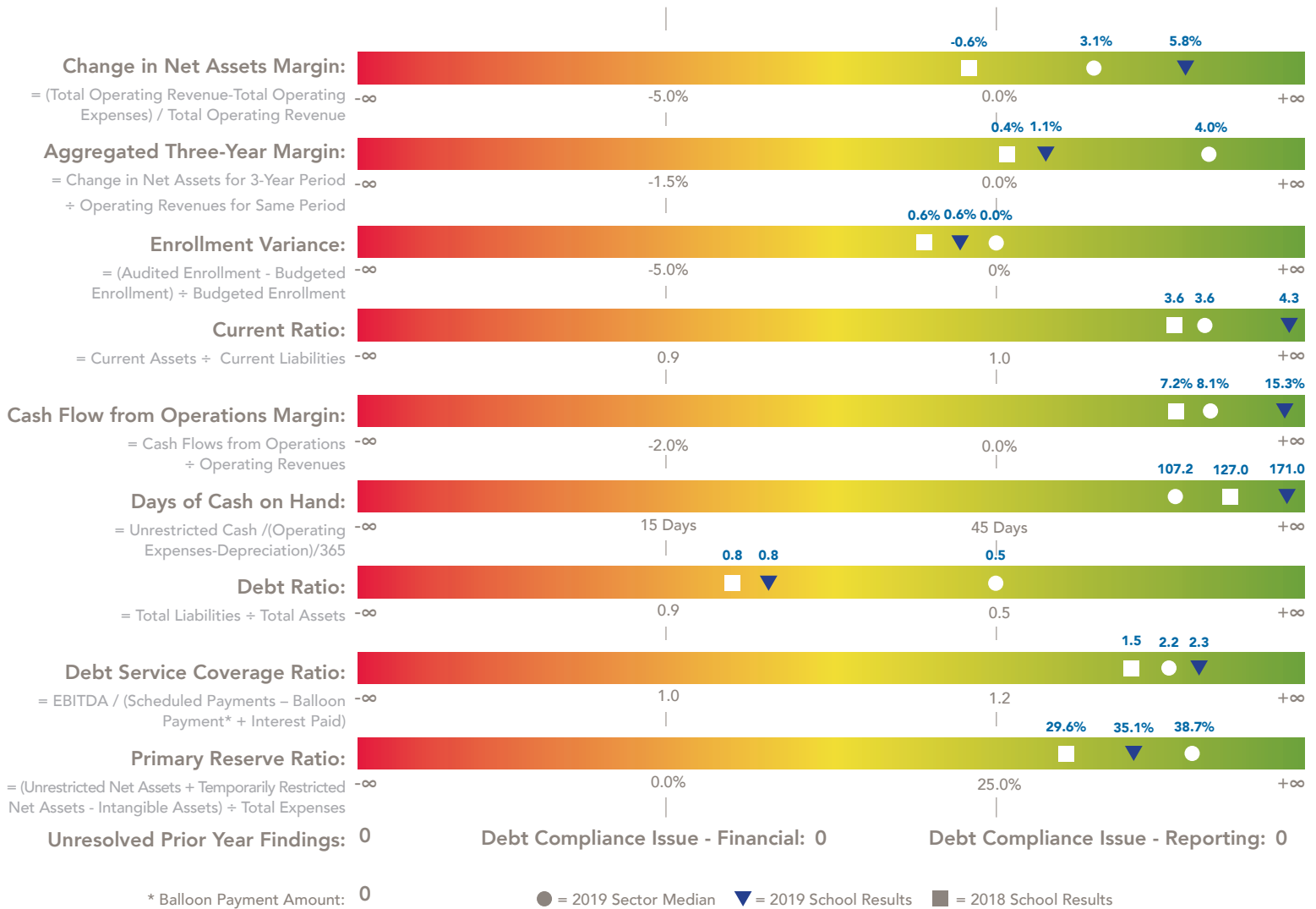


Opened:
2012-2013

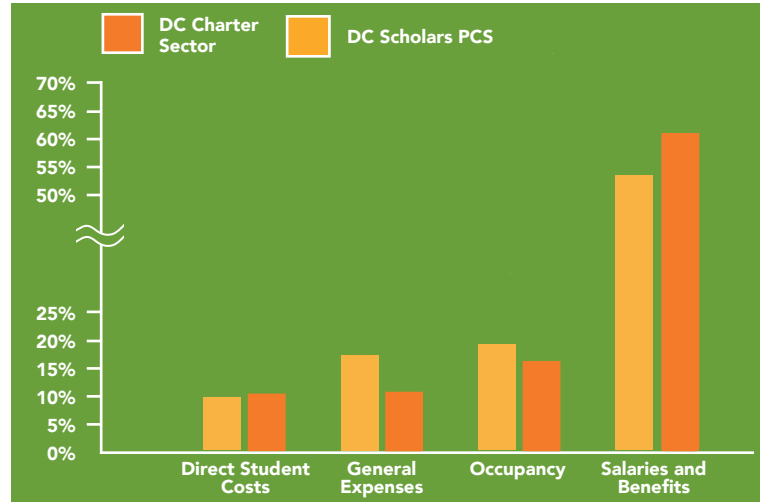
Audited Enrollment:
543

KEY FINANCIAL INDICATORS



Comments from the School

PCS EXPENSES BY CATEGORY



DC SCHOLARS PCS

FY2019 Financial Analysis Report

FINANCIAL POSITION

	2019	2018
Total Assets	\$18,574,487	\$17,976,473
Current Assets	\$5,606,239	\$4,246,944
Total Liabilities	\$14,371,983	\$14,510,679
Current Liabilities	\$1,313,445	\$1,186,379
Net Asset Position	\$4,202,504	\$3,465,794

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	\$12,715,423	\$11,627,876
Expenses	\$11,978,713	\$11,694,828
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$736,710	-\$66,952

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	\$19,657	\$19,174	\$19,863
Grants and Contributions Per Student	\$557	\$211	\$346
Total Revenues per Student	\$23,417	\$22,578	\$23,270
Expenses per Student	\$22,060	\$22,708	\$22,981

PCSB OBSERVATIONS

The school's financial position was strong. The school's revenue grew by 9% in 2019 while expenses grew just 2%, allowing the school to generate a \$737K change in net assets compared with a loss of \$67K in 2018. Cash flow from operations margin is an exceptionally strong 15.3%, increasing the days of cash on Hand to 171 days. The school continued to grow reserves, strengthening its overall financial position.

There is \$13.1M in loans coming due in FY 2021, but the school has begun the process to refinance.

Debt:

The school has two loans outstanding:

1. Office of Public Charter School Financing & Support: OPCSFS loan has an outstanding balance of \$1.4M. The loan will come due in FY 2021.
2. A loan from Bank of America (BOA) with a \$12.0M outstanding balance will come due in FY 2021. The school has begun discussions with these lenders to refinance these loans.

Property Lease:

The school entered into a leasing agreement with the District of Columbia to provide a public charter school on the ground floor of the Shadd School. The school now occupies the entire building. The lease term was for 20 years, expiring in 2035, and allowed the school to abate its rent in an amount equal to the construction costs incurred for renovating the property. The school had a balance in leasehold improvements of roughly \$16M for the year ended June 30, 2019, allowing the school to have free rent for the remaining lease term.

School Name	FY19 Revenues	FY19 Operating Result
DC Scholars PCS	\$12,715,423	\$736,710
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
DC Scholars Community Schools (d.b.a Community Schools)	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Jennifer Leonard	Contracted Executive Director	\$150,761.23
Services Provided	FY19 Payment	% of School Revenue
Management services	\$1,067,373	8.39%
Total	\$1,067,373	8.39%
DC PCSB Comments		
<p>Effective July 1, 2016, the school entered into an Academic and Business Services Agreement with DC Scholars Community Schools (Community Schools), for Community Schools to provide management services including executive, operational, academic, and strategic services. The agreement was originally scheduled to terminate on June 30, 2021; however, on May 9, 2018, the Board passed a resolution to terminate the agreement on June 30, 2019. The management fee equaled 10% of per-pupil charter payments, which translated to \$1.1MM for FY 2019.</p> <p>Please note that the highest paid employee above was taken from the most recent 990 available at the time this report was produced.</p>		
School Comments		