KEY FINANCIAL INDICATORS

Change in Net Assets Margin:
-5.0% to 0.0% to 3.1% to 3.7%

Aggregated Three-Year Margin:
-1.5% to 0.0% to 0.0% to 0.0%

Enrollment Variance:
-5.0% to 0.0% to 3.6

Current Ratio:
0.9 to 1.0 to 2.1 to 3.6

Cash Flow from Operations Margin:
-2.0% to 0.0% to 35.9 to 48.2 to 107.2

Days of Cash on Hand:
15 Days to 45 Days

Debt Ratio:
0.9 to 0.5 to 1.2 to 1.3

Debt Service Coverage Ratio:
1.0 to 1.2 to 36.3% to 38.7% to 53.0%

Primary Reserve Ratio:
0.0% to 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

Comments: 1- Cash on hand net of LOC. 2- ST write-down implies there is $1M outstanding on LOCs vs. actual balance of $132K. The school has 56 days of cash on hand. This indicates that the school has adequate cash on hand to meet operating expenses in the event of unexpected delays in cash receipts.

The school had three lines of credit totaling $1.05 million that expire in April, July, and September 2018. The school is current on interest and principal payments.
The school’s financial condition was adequate. Enrollment grew by 154 students, or 38%, with the opening of a second campus for grades PK-K. There were commensurate increases in both revenues and expenses. While the school had a modest (1%) loss, days of cash on hand increased from the prior year to 48 in FY 2019, and the current ratio, when adjusted for the current portion of notes payable, was 2.1, equal to the 2018 level. The cash flow from operations margin of 9.7% was particularly strong. The school’s debt service coverage ratio was 1.2. While the school was not in compliance with all of its debt covenants, it obtained a waiver from the bank.

Debt:
In January 2013, the school signed an agreement to refinance its DC Office of Public Charter School Financing and Support note payable and its United Bank construction note payable. The loan matured in January 2020. The $5.6M outstanding balance was refinanced and extended to January 2028 at a rate of 4.15%. In July 2016, the school entered into a financing agreement with the District of Columbia and Greenworks Lending LLC to obtain a loan of $1.4M for the installation of energy improvements; this loan matures in 2036.