

LEE MONTESSORI PCS

FY2019 Financial Analysis Report

Opened: 2014-2015 Audited Enrollment:

210

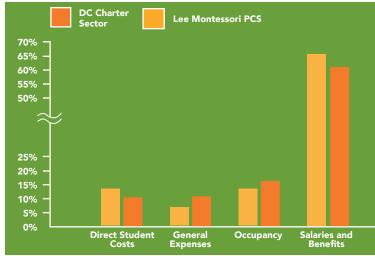
KEY FINANCIAL INDICATORS

			1.1%	3.1% 4.5%		
Change in Net Assets Margin:			V	3.1% 4.5%		
= (Total Operating Revenue-Total Operating Expenses) / Total Operating Revenue	00	-5.0% 	0.0%		4.0% 4.2	+∞
Aggregated Three-Year Margin:						
= Change in Net Assets for 3-Year Period ÷ Operating Revenues for Same Period	00	-1.5%	0.0%			+∞
Enrollment Variance:		·	-0.6% -0.5% 0.0%			
= (Audited Enrollment - Budgeted - G Enrollment) ÷ Budgeted Enrollment	00	-5.0% 	0%	2.8	3.6	+∞ 3.7
Current Ratio:					•	
= Current Assets ÷ Current Liabilities -	00	0.9 	1.0 0[!]1%	5.0%	8.1%	+∞
Cash Flow from Operations Margin:			▼		•	
= Cash Flows from Operations - ÷ Operating Revenues	00	-2.0% 	0.0%	64.5 91.7 107	.2	+∞
Days of Cash on Hand:				V 🗌 C		
= Unrestricted Cash /(Operating - Expenses-Depreciation)/365	00	15 Days 	45 Days 0.5	0.3	0.2	+∞
Debt Ratio:			•	V		
= Total Liabilities ÷ Total Assets	00	0.9 	0.5 			+∞
Debt Service Coverage Ratio:						
= EBITDA / (Scheduled Payments – Balloon – Payment* + Interest Paid)	00	1.0 	1.2 19.7% 24.6 %	3	38.7 %	+∞
Primary Reserve Ratio:					•	
= (Unrestricted Net Assets + Temporarily Restricted - Net Assets - Intangible Assets) ÷ Total Expenses	00	0.0%	25.0% 			+∞
Unresolved Prior Year Findings: (0	Debt Compliance Issue - Financial: 0	Debt Complia	nce Issue - R	eporting	g: O
* Balloon Payment Amount: (0	● = 2019 Sector Median V = 2019 School F	Results 🔲 = 2018 School	Results		

Comments from the School

Lee Montessori is committed to increasing enrollment to provide Montessori education to more students. We must maintain fiscal sustainability to meet this goal.

PCS EXPENSES BY CATEGORY



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FINANCIAL POSITION

	2019	2018
Total Assets	\$1,380,861	\$1,181,002
Current Assets	\$1,172,747	\$1,014,190
Total Liabilities	\$422,872	\$274,833
Current Liabilities	\$422,872	\$274,833
Net Asset Position	\$957,989	\$906,169

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	\$4,921,150	\$3,862,902
Expenses	\$4,869,330	\$3,687,576
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$51,820	\$175,326

AUDIT FINDINGS

	2019	2018
Qualified/Modified/Adverse Opinion on the Financial Statements	Νο	Νο
Material Weakness in Internal Control over Financial Reporting (GAS)	Νο	Νο
Non-compliance Material to the Financial Statements (GAS)	Νο	Νο
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	Νο	Νο
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	Νο	Νο
Findings and Questioned Costs	0	0
Going-Concern Issue	Νο	Νο

REVENUES/EXPENSES PER STUDENT

	2019	2018	2019 Sector Median
DC Funding per Student	\$19,698	\$19,142	\$19,863
Grants and Contributions Per Student	\$1,076	\$280	\$346
Total Revenues per Student	\$23,434	\$21,824	\$23,270
Expenses per Student	\$23,187	\$20,834	\$22,981

PCSB OBSERVATIONS

The school had strong financial performance in 2019. Enrollment increased by 19% in 2019 and has more than doubled since 201 as additional grades are added and with the opening of a second campus in SY 2019. The school's change in net assets margin was 1.1%, and its aggregated three-year margin was 4.2%, indicating that it consistently generates surpluses even as it scales significantly. The school's liquidity is strong with a current ratio of 2.8 and 64 days of cash on hand, showing that the school can easily meet short-term obligations indicating that its more liquid assets are nearly 3x more than any of the school's short-term obligations.

Property Lease:

1- In April 2016, the school entered into a lease agreement with St. Paul on Fourth Street Inc. for an initial term expiring June 2021 with an agreement to extend the lease for four additional five-year terms. Rent expense for the year ended June 30, 2019, totaled \$685K, based on the audited enrollment of the school multiplied for the per-pupil facilities allowance. This lease agreement provides an option to purchase the facilities at any point between the fifth and 10th anniversaries of the lease agreement. 2- In March 2019, the school entered into a lease agreement with the Charter School Incubator Initiative for additional space for school year 2019 - 20. Rent is equal to the per-pupil

2- In March 2019, the school entered into a lease agreement with the Charter School Incubator Initiative for additional space for school year 2019 - 20. Rent is equal to the per-pupil funding allowance for that period multiplied by the number of students using the space. New space has been leased for school year 2020 - 21.