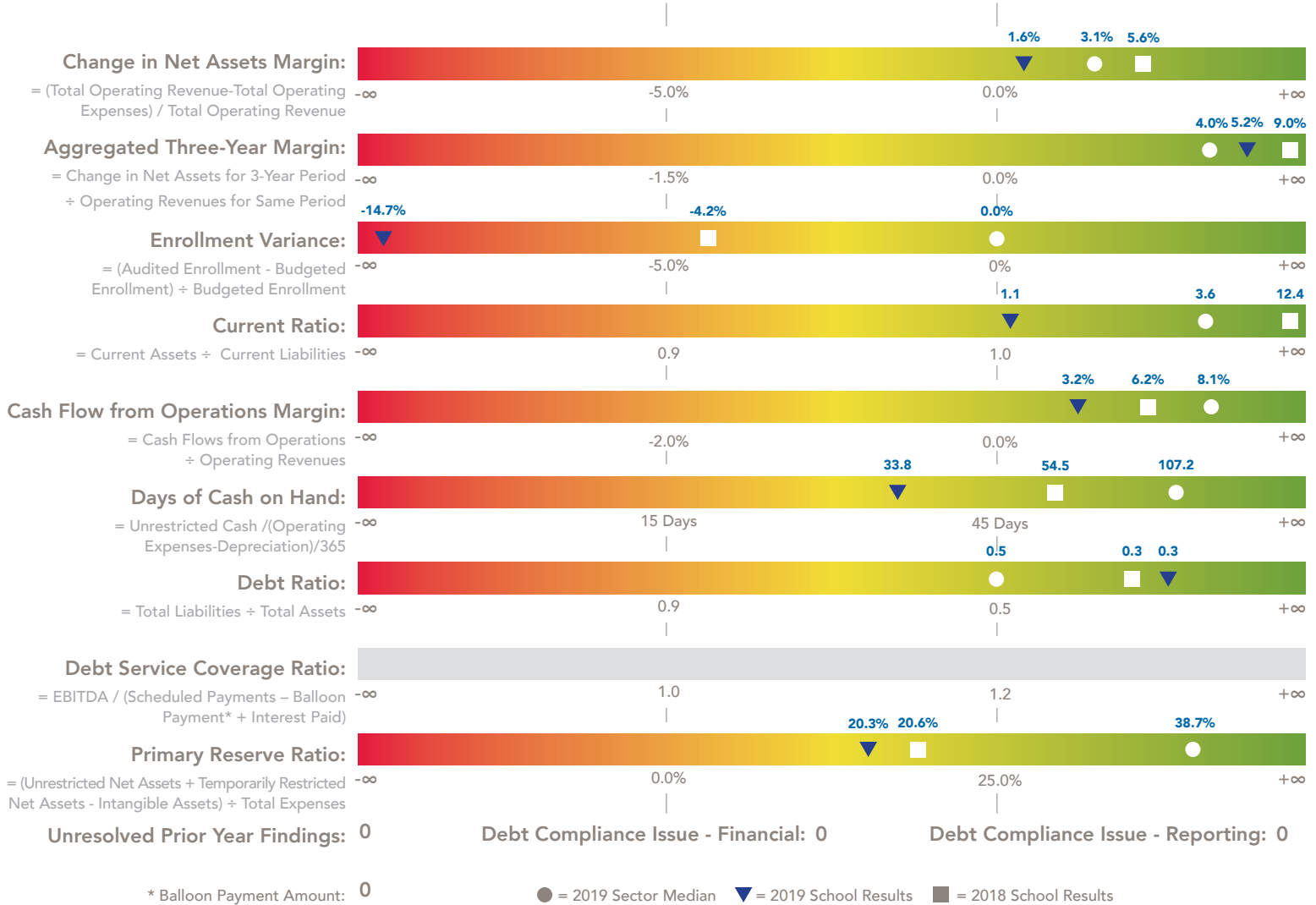


Opened:
2015-2016

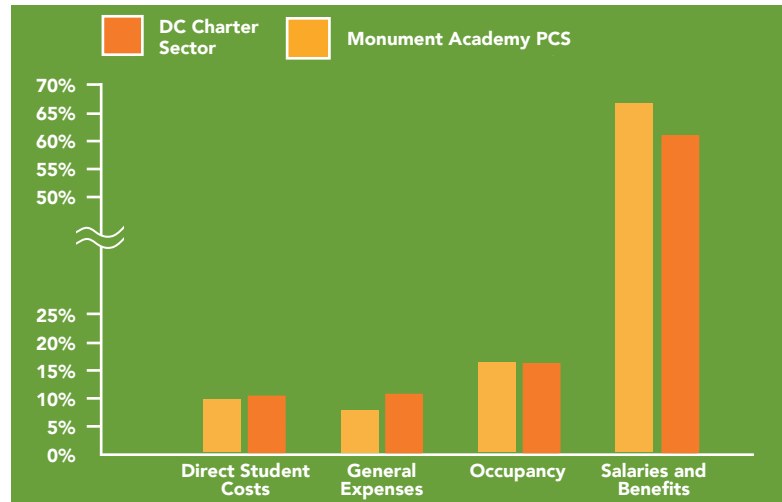
Audited Enrollment:
128

KEY FINANCIAL INDICATORS



Comments from the School

PCS EXPENSES BY CATEGORY



MONUMENT ACADEMY PCS

FY2019 Financial Analysis Report

FINANCIAL POSITION

	2019	2018
Total Assets	\$3,297,752	\$3,079,663
Current Assets	\$1,215,667	\$1,681,487
Total Liabilities	\$1,111,627	\$1,065,835
Current Liabilities	\$1,075,475	\$135,104
Net Asset Position	\$2,186,125	\$2,013,828

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	\$10,929,693	\$10,357,206
Expenses	\$10,757,397	\$9,779,369
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$172,296	\$577,837

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	\$63,553	\$63,966	\$19,863
Grants and Contributions Per Student	\$10,932	\$21,043	\$346
Total Revenues per Student	\$85,388	\$90,063	\$23,270
Expenses per Student	\$84,042	\$85,038	\$22,981

PCSB OBSERVATIONS

While the school had a positive change in net asset margin of 1.6%, this was well below the three-year aggregate margin of 5.2%. The current ratio, when adjusted for the current portion of long-term debt, remained strong at nearly 11. The school's days of cash on hand, however, fell to 33.8 from 54.5 days in 2018. The primary reserve ratio of 20.3% is adequate, however, it does include \$1.4M in leasehold improvements as assets that would not be available for liquidity purposes.

Lastly, the school's expenses per student is around \$20K higher than the funding it receives from DC. The school has had sufficient funding from private fundraising and grants that have allowed it to achieve positive results, but this funding is not as secure as the DC funding and does constitute a risk for the school.

The school is currently in a pending litigation with BC factoring who asserts claims against the school for breach of contract, unjust enrichment, and violation of the Tennessee version of the Uniform Commercial Code. The school is currently engaged in settlement discussions and was thus unable to estimate a potential loss or range of loss at the time

Debt:

1. As of year-end FY 2019, long-term debt totaled \$1.0M due from two non-interest-bearing, unsecured loan agreements that the school entered into in June and December 2017. Both loans are to be paid in full by June 30, 2020. This debt is from a private foundation and may be forgiven by the lender. As of May 2020, the forgiveness process is in-progress.

2. In September 2015 the school entered into a guarantee agreement for an \$8.2M loan between United Bank and the Charter School Incubator Initiative (CSII) for renovation to the building in which the school operates. By June 2017 the guarantee included additional \$7.5M in loans from United Bank to CSII. The total amount of loans under the new guarantee is \$15.7M. The loans mature in September 2020.

Property Lease:

In July 2015, the school entered into a use agreement with CSII to use a portion of the school facility, approximately 47,000 square feet. The term continues through June 30, 2020, and may be extended for up to three additional terms of five years each. In exchange for this use of space, the school will pay CSII a usage fee equal to the enrollment multiplied by the per-pupil facilities allowance, as determined annually, plus an additional amount based on the lease amendment. Rent expense for FY 2019 was \$1.6M.