DC PUBLIC CHARTER SCHOOL BOARD

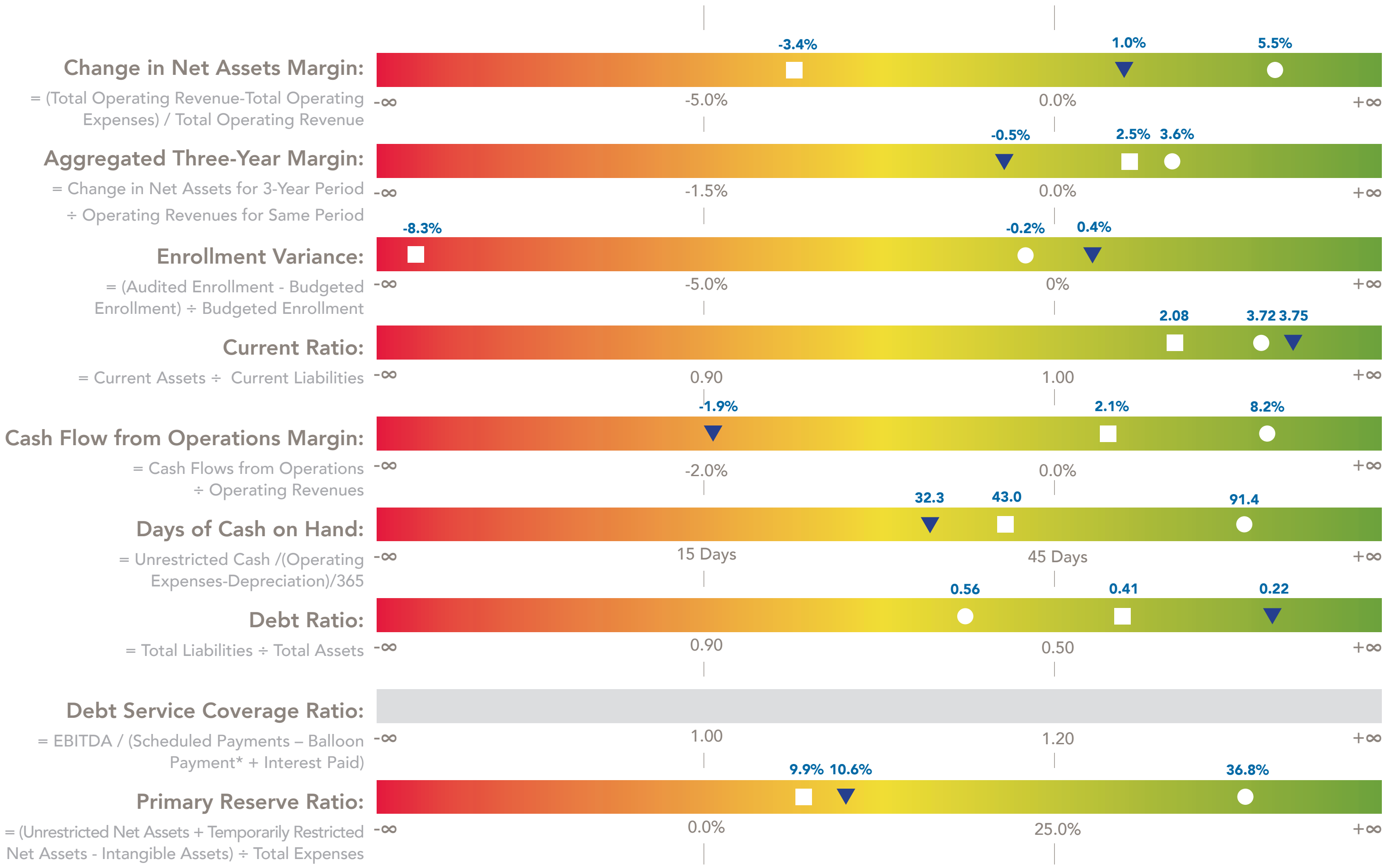
NATIONAL COLLEGIATE PREPARATORY PCHS

FY2018 Financial Analysis Report

Opened: 2009 - 2010

Audited Enrollment: 276

KEY FINANCIAL INDICATORS



Unresolved Prior Year Findings: 0

Debt Compliance Issue - Financial: No

Debt Compliance Issue - Reporting: No

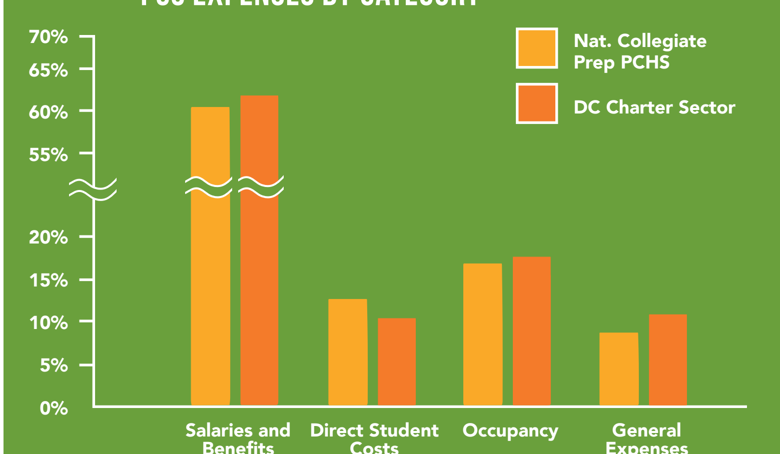
* Balloon Payment Amount: 0

● = 2018 Sector Median ▼ = 2018 School Results ■ = 2017 School Results

Comments from the School

National Collegiate Prep was found to achieve eight of our nine goals during our 10-Year Review. We emphatically disagree with the PCSB decision to revoke the charter, as we are a solid institution in the Ward 8 community. As many charter schools in Wards 7 and 8 have faced declines in enrollment, National Prep has also dealt with our transitional community moving to other affordable housing and for safety issues which has affected our enrollment. However, while the decline in enrollment affected our budget, we maintained within our operating reserve and we are fiscally stable.

PCS EXPENSES BY CATEGORY



NATIONAL COLLEGIATE PREPARATORY PCHS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	$863,037	$1,030,559
Current Assets	$724,469	$877,464
Total Liabilities	$193,027	$422,117
Current Liabilities	$193,027	$422,117
Net Asset Position	$670,010	$608,442

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	$6,353,620	$5,972,260
Expenses	$6,292,052	$6,172,586
Non-operating Revenues (Expenses)	$0	$0
Surplus (Deficit)	$61,568	-$200,326

AUDIT FINDINGS

	2018	2017
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

	2018	2017	2018 Sector Median
DC Funding per Student	$20,590	$19,622	$19,243
Grants and Contributions Per Student	$376	$196	$492
Total Revenues per Student	$23,020	$21,717	$22,382
Expenses per Student	$22,797	$22,446	$21,375

PCSB OBSERVATIONS

Overall, the school's performance was not strong. Liquidity declined to 32 days of cash on hand as a result of negative cash flows from operations. The school's current-year operating margin was $62K and its aggregated three-year margin was (0.5%), presenting a negative three-year trend in operating results.

The school had a current ratio of 3.75 and 32 days of cash on hand, reflecting adequate liquidity. The school had no major outstanding loans or other borrowed funds, which put it at a debt ratio of 0.22 as a result of paydowns of liabilities of $193K.

The school maintains a lease agreement with the Charter School Incubator Initiative which commenced in August 2012. The agreement was set to expire in June 2017 and was renewed through June 30, 2022. This lease requires the school to pay an annual usage fee based on enrollment and the per-pupil facilities allowance received. Rent expense for FY 2018 was $893K.

In January 2019, the DC Public Charter School Board voted to revoke the school's charter, effective the last day of SY 2019 - 20.