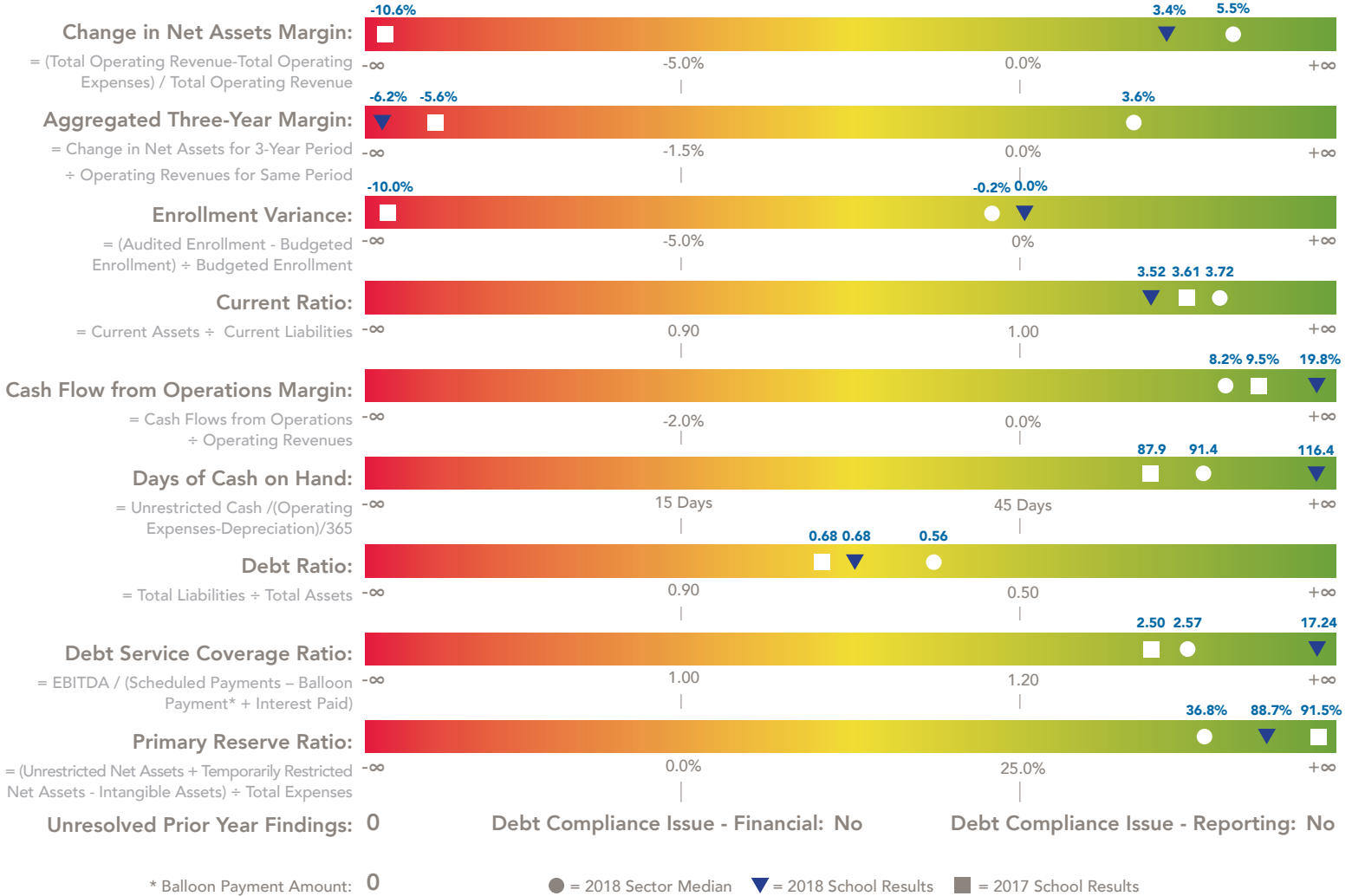


Opened:
1998 - 1999

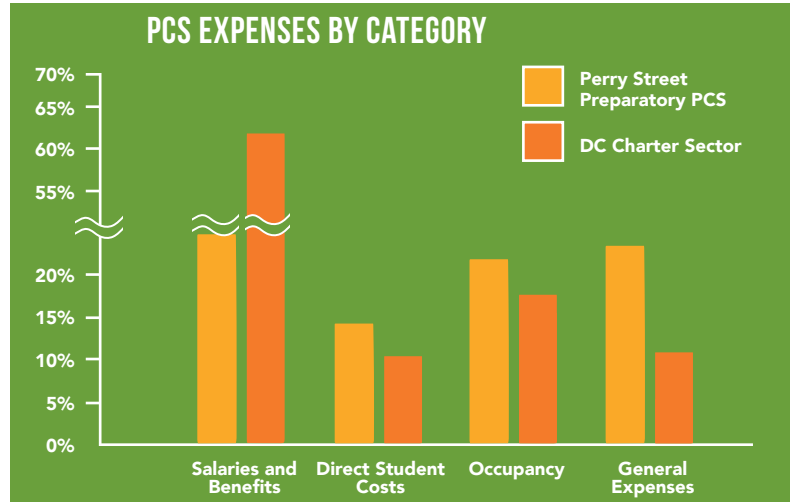
Audited Enrollment:
351

KEY FINANCIAL INDICATORS



Comments from the School

[Empty box for school comments]



PERRY STREET PREPARATORY PCS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	\$22,478,976	\$21,572,169
Current Assets	\$3,308,241	\$2,440,471
Total Liabilities	\$15,209,558	\$14,588,599
Current Liabilities	\$940,866	\$675,472
Net Asset Position	\$7,269,418	\$6,983,570

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$8,482,260	\$6,900,680
Expenses	\$8,196,412	\$7,631,918
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$285,848	-\$731,238

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	\$19,943	\$18,221	\$19,243
Grants and Contributions Per Student	\$452	\$231	\$492
Total Revenues per Student	\$24,166	\$22,551	\$22,382
Expenses per Student	\$23,352	\$24,941	\$21,375

PCSB OBSERVATIONS

Overall, the school's financial condition was healthy, indicating that the school's turnaround plan working with external consultants was on track with regards to the school's financial health. The primary reserve ratio of 88.69% indicated that the school's long-term sustainability did not present a concern. The school had an operating surplus of \$286K in FY 2018, compared with a deficit of (\$731K) in FY 2017. The current ratio of 3.52 and 116 days of cash on hand reflected a strong liquidity position, meaning that the school's short-term operating needs were expected to be met.

In May 2010, the school entered into a lease agreement with the District of Columbia for its school space. The lease is for a 25-year term and a \$96K monthly rental obligation, subject to lease terms regarding adjustment and credit. Under the lease, the school is entitled to rent abatements equivalent to tenant improvements to the facility. As a result, the school is not currently having to make any monthly rent payments for its facility. In addition, the school subleases portions of its building space to three lessees for terms ranging from three to 21 years. Rent expense totaled \$292K in FY 2018.

School Name	FY18 Revenues	FY18 Operating Result
Perry Street Preparatory PCS	\$8,482,260	\$285,848
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
AppleTree Institute for Education Innovation	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Jack McCarthy	President/CEO	\$225,848
Services Provided	FY18 Payment	% of School Revenue
Pre-k school operations	\$1,434,134	
Total	\$1,434,134	

DC PCSB Comments

Effective July 1, 2015, the school entered into a management agreement with AppleTree Institute for Education Innovation (AppleTree). AppleTree fully manages and operates the educational program for PK3 and PK4. As a management fee for these services, AppleTree receives an amount equal to the per-pupil funding the school receives for its enrolled PK3 and PK4 students, excluding the facilities allotment and less any administrative fees.

The school incurred management fees of \$1.4M in 2018.

Please note that the highest paid employee above was taken from the most recent 990 available at the time this report was produced.

School Comments