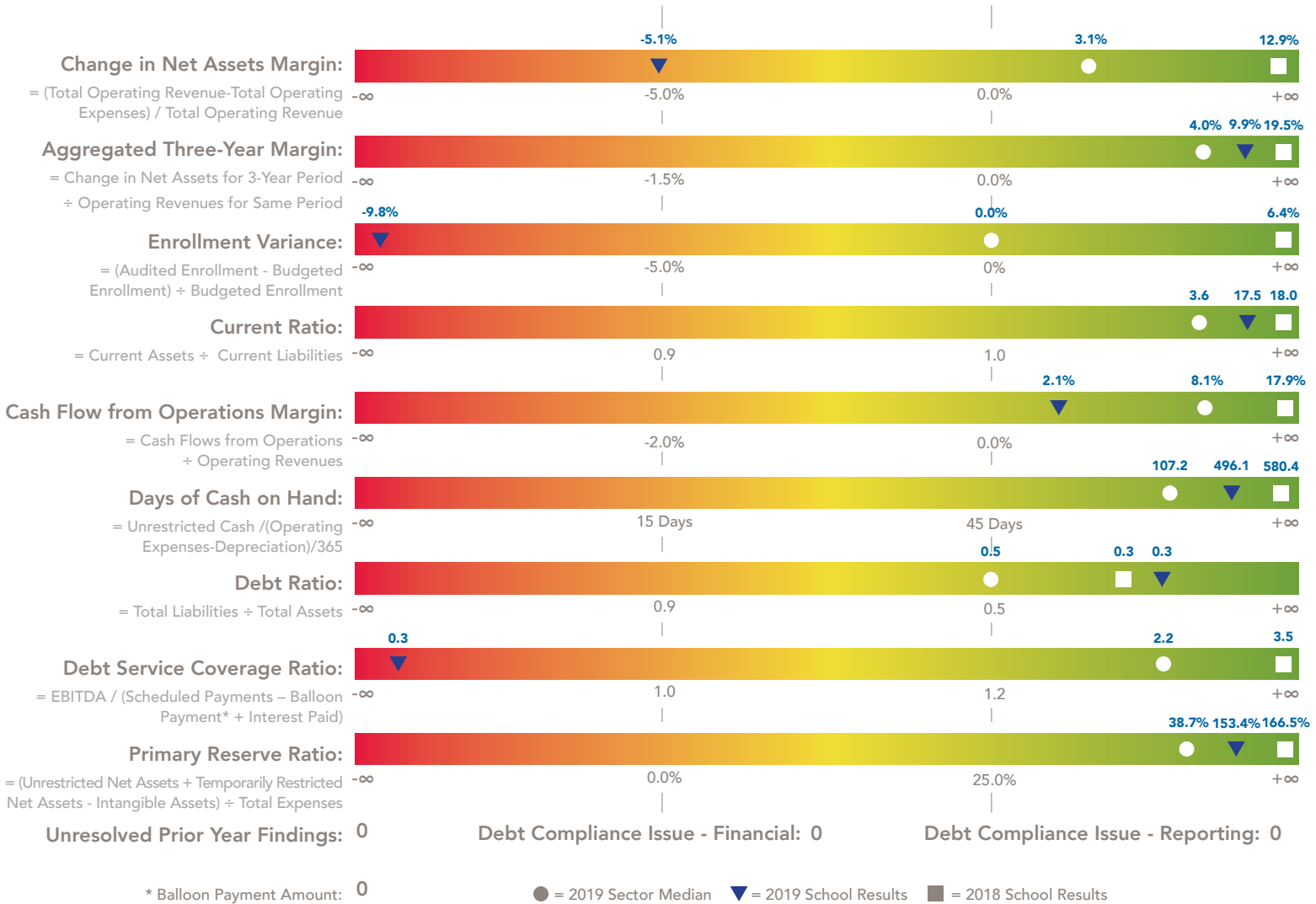


Opened:
1998-1999

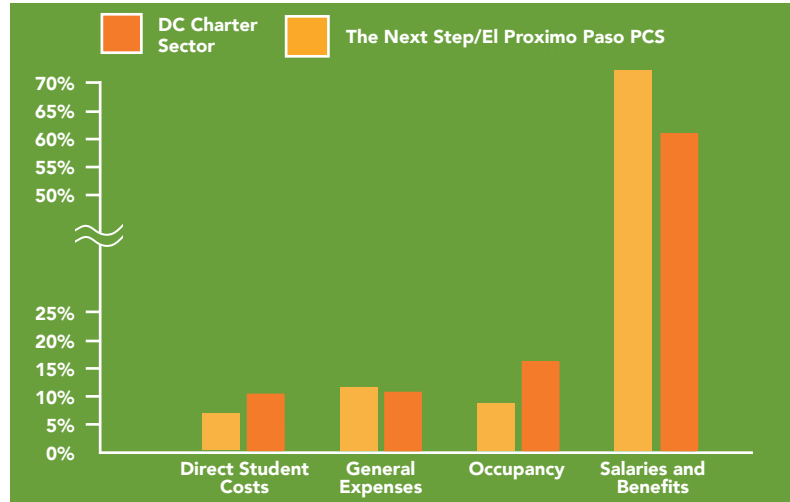
Audited Enrollment:
379

KEY FINANCIAL INDICATORS



Comments from the School

PCS EXPENSES BY CATEGORY



THE NEXT STEP/EL PROXIMO PASO PCS

FY2019 Financial Analysis Report

FINANCIAL POSITION

	2019	2018
Total Assets	\$20,140,437	\$22,035,271
Current Assets	\$11,966,818	\$13,510,517
Total Liabilities	\$6,139,218	\$7,477,043
Current Liabilities	\$685,171	\$750,410
Net Asset Position	\$14,001,219	\$14,558,228

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	\$8,683,487	\$10,038,645
Expenses	\$9,125,345	\$8,745,393
Non-operating Revenues (Expenses)	-\$115,151	\$174,558
Surplus (Deficit)	-\$557,009	\$1,467,810

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	\$21,978	\$21,478	\$19,863
Grants and Contributions Per Student	\$67	\$494	\$346
Total Revenues per Student	\$22,912	\$24,016	\$23,270
Expenses per Student	\$24,077	\$20,922	\$22,981

PCSB OBSERVATIONS

The school's overall financial position remains extremely strong despite a decline in enrollment and an operating deficit in FY 2019. The school had an excellent current ratio of 17.5 and 496 days of cash on hand, indicating that the school can easily meet short-term obligations or unforeseen expenses. Additionally, the school had an exceptionally strong primary reserve ratio of 153.4%, supporting the school's long-term sustainability. Lastly, the school had a very strong aggregated three-year net margin of 9.9% indicating a strong long-term financial performance.

The school had an unexpected decline in enrollment of 9% that led to much higher salaries and benefits expense compared to the sector median and a negative change in net assets margin of -5.1%. This loss was also reflected in a poor debt service coverage ratio of .3. While the school's financial position is strong, should future declines in enrollment occur, they should be accompanied by stronger cost management efforts.

Debt:

The school also has a loan with SunTrust Bank totaling \$7.8M for the purchase and renovation of the building and land at 3047 15th Street, NW. Maturity on this mortgage is scheduled for October 1, 2021. In April 2020, the school paid off the remaining balance of the loan in the amount of \$5.5M, which is 18 months earlier than the maturity date.