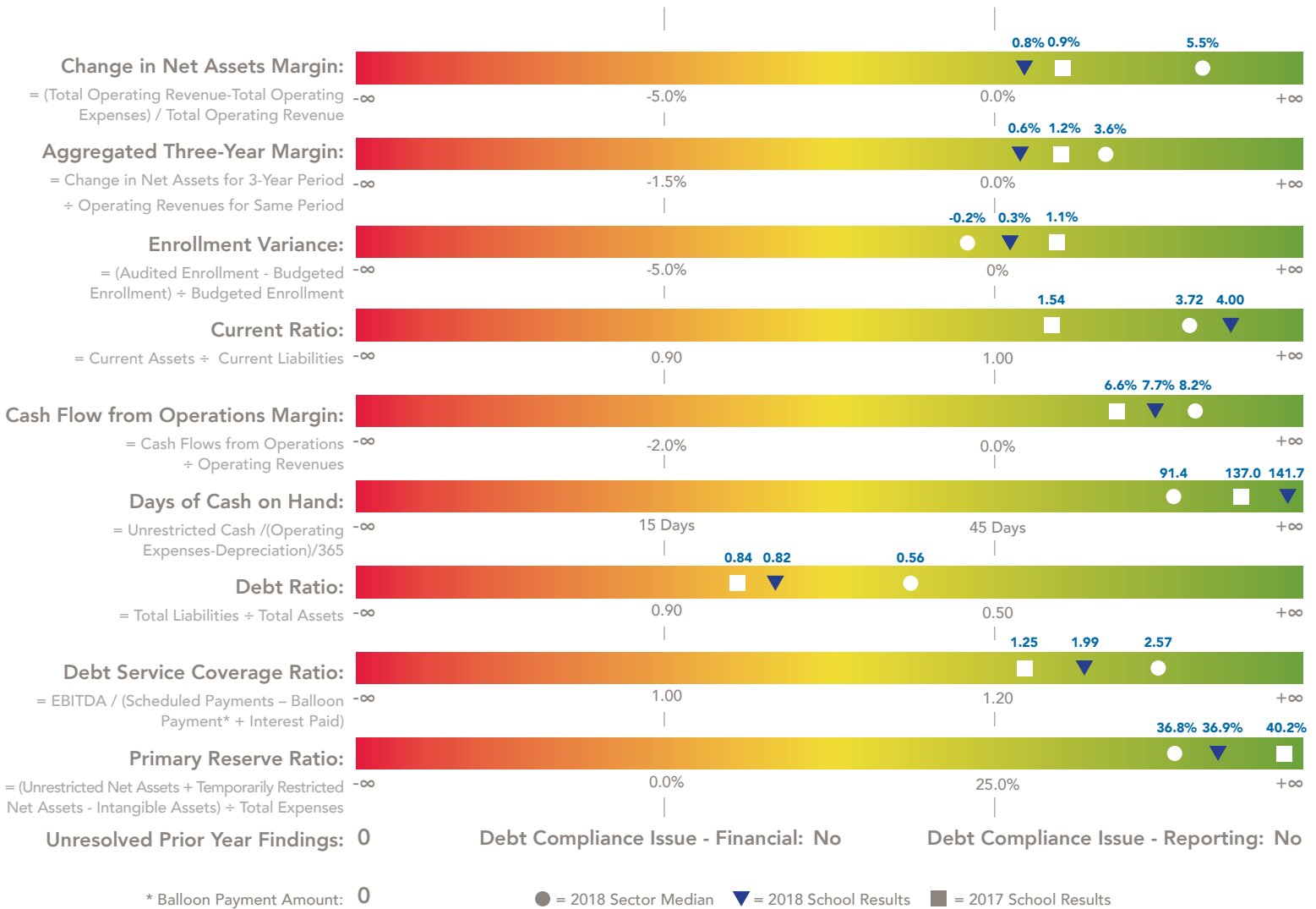


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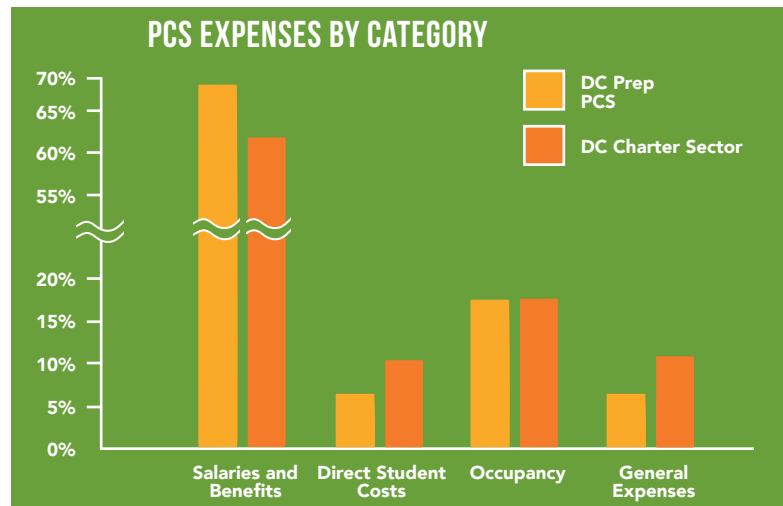
Audited Enrollment:
1,875

KEY FINANCIAL INDICATORS



Comments from the School

[Empty box for school comments]



DC PREP PCS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	\$81,408,100	\$88,661,038
Current Assets	\$15,780,235	\$15,005,875
Total Liabilities	\$66,762,282	\$74,404,372
Current Liabilities	\$3,945,823	\$9,732,519
Net Asset Position	\$14,645,818	\$14,256,666

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$40,061,931	\$35,773,088
Expenses	\$39,723,939	\$35,438,243
Non-operating Revenues (Expenses)	\$51,160	\$157,223
Surplus (Deficit)	\$389,152	\$492,068

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	\$18,257	\$17,049	\$19,243
Grants and Contributions Per Student	\$1,605	\$1,966	\$492
Total Revenues per Student	\$21,366	\$20,920	\$22,382
Expenses per Student	\$21,186	\$20,724	\$21,375

PCSB OBSERVATIONS

Overall, the school's financial condition was healthy, with strong financial metrics, no breaches in its debt covenants, and no reportable findings identified in its FY 2018 audited financials. The school's current ratio increased significantly from the prior period as a result of a paydown on an outstanding payable of \$6.0M from the prior year related to renovation of the school's Anacostia Elementary Campus, which was completed in FY 2018.

The school had a healthy 142 days of cash on hand; this indicated that it had adequate cash to meet operating expenses in the event of unexpected costs or delays in cash receipts and may have opportunities to invest some of these funds back into the school.

Further, the school's financial indicators also reflected strong long-term sustainability with a debt ratio of .82 and a primary reserve ratio of 37%. The debt ratio, essentially, measures the portion of a school's total assets that are financed using debt; DC PCSB has determined that a ratio below .90 is adequate and a ratio of .50 or less is strong. DC Prep's debt ratio improved from the prior year, as a result of a \$7.6M decrease in total liabilities in FY 2018.

The school operates five campuses (three elementary and two middle schools) for which it has various leases and mortgages. The school has received bond proceeds for several of its campuses over the past decade and has used those proceeds to finance acquisition, construction, and renovation across its campuses. The school's outstanding principal balances on its various loans related to its facilities total \$66.1M, which are secured by the facilities.