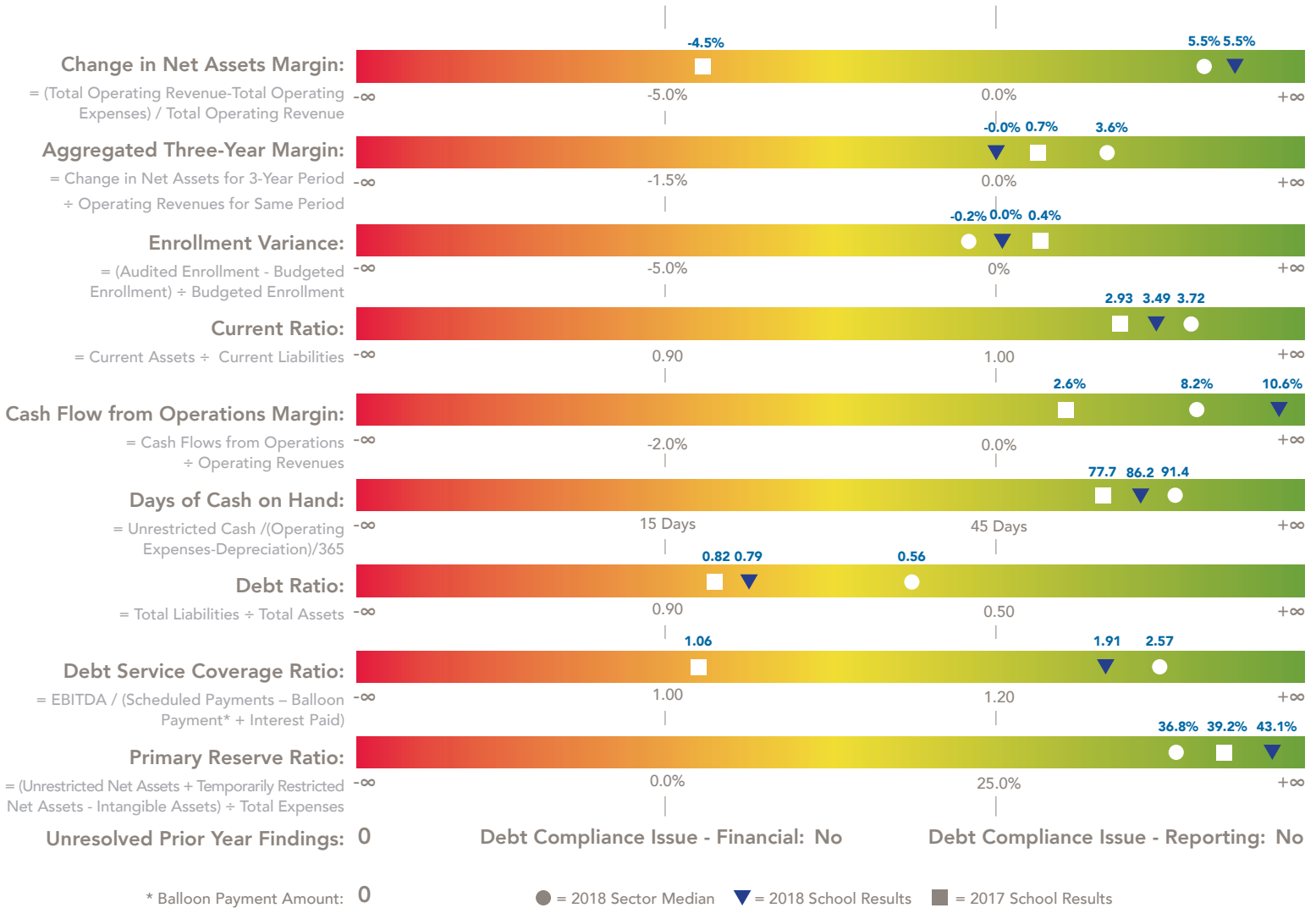
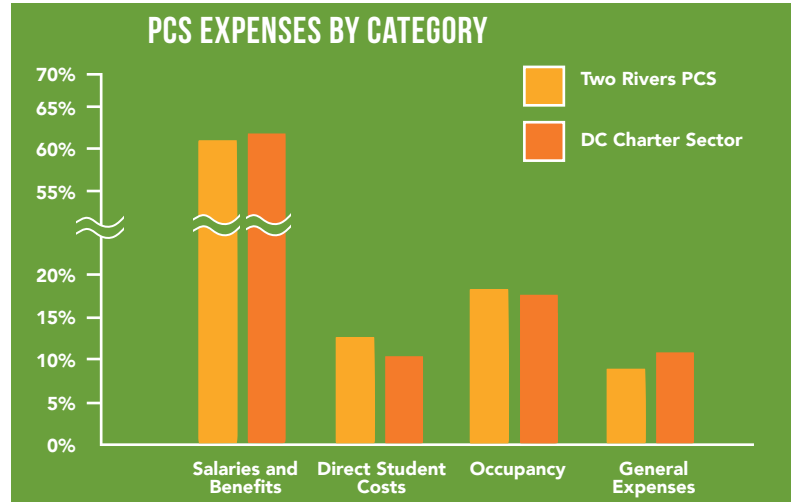


KEY FINANCIAL INDICATORS



Comments from the School

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TWO RIVERS PCS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	\$33,862,806	\$33,340,942
Current Assets	\$4,731,270	\$3,906,096
Total Liabilities	\$26,886,664	\$27,316,030
Current Liabilities	\$1,353,849	\$1,333,672
Net Asset Position	\$6,976,142	\$6,024,912

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$17,129,065	\$14,694,516
Expenses	\$16,182,890	\$15,351,131
Non-operating Revenues (Expenses)	\$5,055	\$306,266
Surplus (Deficit)	\$951,230	-\$350,349

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	\$18,558	\$17,299	\$19,243
Grants and Contributions Per Student	\$1,298	\$735	\$492
Total Revenues per Student	\$21,095	\$19,515	\$22,382
Expenses per Student	\$19,930	\$20,387	\$21,375

PCSB OBSERVATIONS

The school had very strong financial performance in 2018. While enrollment grew 8%, revenues increased nearly 17%, primarily driven by state and private grants. At the same time, expenses grew just 5%, reflecting strong cost management. The school generated an operating surplus of \$946K, compared with an operating loss of (\$657K) in FY 2017. Both cash flow from operations margin and liquidity improved in FY 2018. The school had a current ratio of 3.5 and 86 days of cash on hand, indicating that it had ample liquidity to absorb unexpected expenses or delays in cash receipts. While the school had \$25.4M in debt financing buildings and equipment, its debt service coverage ratio was 1.9, meaning that the school generated sufficient income to service its debt. Finally, the school had net assets of nearly \$7M and a primary reserve ratio of 43%.

In June 2013, the District of Columbia issued \$14.5M of variable rate revenue bonds and lent the proceeds to the school. The bonds mature in June 2038. In conjunction with the financing, the bonds were sold to a bank for a five-year period ended June 2018. The bonds were purchased and sold back to the bank for another five-year period. The current balance of the bonds is \$12.3M. The school is the sole member of the Young QUALICB (a Qualified Low-Income Community Business), which provides \$8.8M in financing for the school. In addition, the school has entered into loan agreements for \$4.5M from SunTrust Bank and \$1.2M from the Office of Public Charter School Financing and Support.