Mountain Oak School
Charter Renewal application

Financial Performance Indicators

1b. Unrestricted Days Cash
MOS has access to a line of credit. (National Bank, $30,000). MOS has never used a line of credit. Along with freezing salaries, and reducing part-time personnel, the school spent some of its cash reserve in FY09, due to reduced state funding. Since then MOS has maintained its cash reserve, and in FY13 is starting to rebuild it.

2a. Total Liabilities to Equity Ratio
MOS is profitable and expects to build equity to lower the ratio in future periods. In FY13, we anticipate a $14K surplus in M&O. We purchased a $1,000,000 property with $50K down. It is going to take a while for the liabilities to equity ratio to improve substantially. We are confident of our ability to make payments on the liability.

2b. Net Income
The net loss was from non-recurring events that will not occur in future periods. Specifically, we purchased our new campus on June 28, 2011. The saving and donations we had set aside for the remodeling were substantially spent in FY12 (Our Building Fund balance was $178,698 on 6/30/11 and was $2,057 on 6/30/12.)

2c. Cash Flow
MOS has increased revenue and reduced expenses that will result in positive cash flow in the next fiscal year. The increased revenue in FY 13 is from increased enrollment (ADM FY12 was 126.46, FY13 was 146.003). The reduced expense is the non-recurring building purchase – see 2b.

2d. Fixed Charge Coverage Ratio
MOS has sufficient cash (see 1b, line of credit) to augment cash flow to fund fixed charges for the foreseeable future, and income is expected to improve (see 2c, increased ADM). MOS has a 5 year loan of $15,000 from the ending of the lease on our previous site in June 2012. This will be paid off in FY16, lowering fixed charges by $3,100/year.