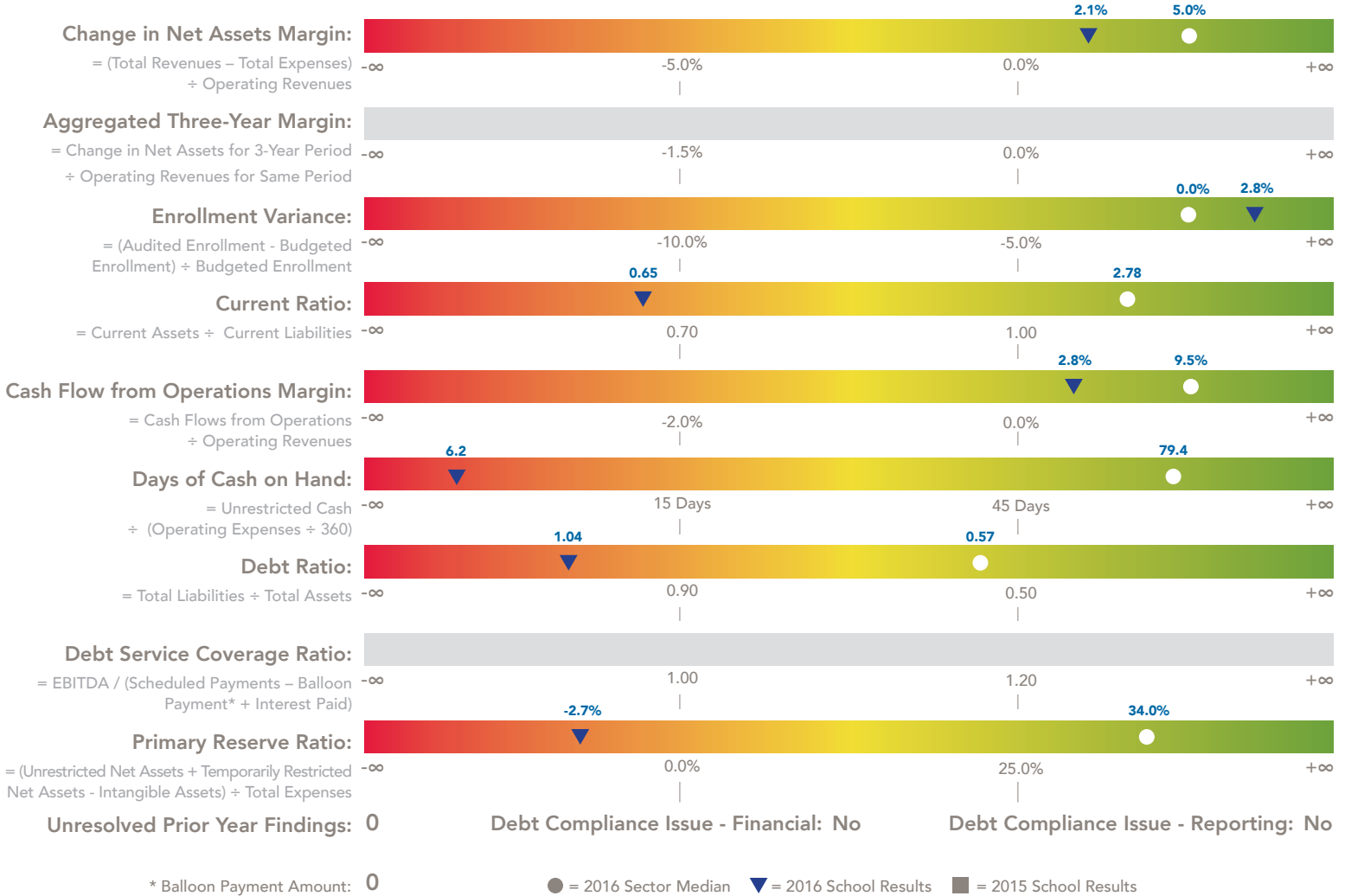


KEY FINANCIAL INDICATORS

Does Not Meet Expectations | Floor | Target | Exceeds Expectations



Unresolved Prior Year Findings: 0 Debt Compliance Issue - Financial: No Debt Compliance Issue - Reporting: No

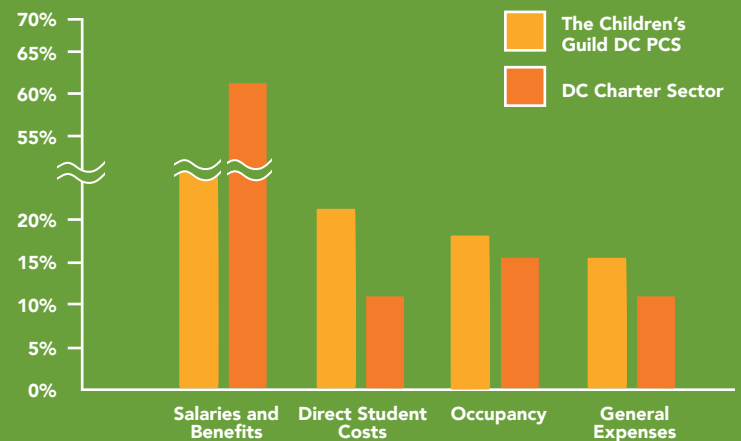
Comments from the School

The first years of operations are geared towards investment in people, facilities, and systems. As the program matures, assets will be generated to fully fund operations and repay debts while creating an operational reserve. The Organization is supplementing operational revenues with grant funds and began participation in the School Based Health Services Medicaid program in FY 17.

The Organization's debt ratio is higher than the target measure, but not significantly higher than the floor measure of 0.9. The Organization's total liabilities are influenced by large amounts related to start up operations and the funding of facility improvements.

Sustainability - The School has generated a deficit through June 30, 2016. Expenses include significant amounts of non-cash depreciation expense and non-cash management fee expense, which allows the School to report a positive net cash flow. As the School matures, this ratio will be improved.

PCS EXPENSES BY CATEGORY



THE CHILDREN'S GUILD DC PCS

FY2016 Financial Report Card

FINANCIAL POSITION

	2016	2015
Total Assets	\$5,277,440	N/A
Current Assets	\$1,168,726	N/A
Total Liabilities	\$5,512,351	N/A
Current Liabilities	\$1,793,219	N/A
Net Asset Position	\$(234,911)	N/A

FINANCIAL ACTIVITIES

	2016	2015
Revenues and Support	\$9,039,521	N/A
Expenses	\$8,852,380	N/A
Non-operating Revenues (Expenses)	\$-	N/A
Surplus (Deficit)	\$187,141	N/A

AUDIT FINDINGS

	2016	2015
Qualified/Modified/Adverse Opinion on the Financial Statements	No	N/A
Material Weakness in Internal Control over Financial Reporting (GAS)	No	N/A
Non-compliance Material to the Financial Statements (GAS)	No	N/A
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	No	N/A
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	No	N/A
Findings and Questioned Costs	0	N/A
Going-Concern Issue	No	N/A

REVENUES/EXPENSES PER STUDENT

	2016	2015	2016 Sector Median
DC Funding per Student	\$21,153	N/A	\$17,657
Philanthropic Funding per Student	\$3,048	N/A	\$581
Total Revenues per Student	\$27,729	N/A	\$20,775
Expenses per Student	\$27,155	N/A	\$19,644

PCSB OBSERVATIONS

RELATED PARTY:

See next page for information on the School's relationship with The Children's Guild, Inc.

FACILITY:

\$1.1M in rent expense for lease beginning in 2015 and expiring in 2030 with three 5-year renewal periods. During the first 3 years of the lease, payment terms are set relative to the DC facilities allowance.

The total deferred rent liability at June 30, 2016 was \$3.8 million.

DEBT:

The amount due to The Children's Guild, Inc. as of June 30, 2016 relating to the line of credit was \$1.4 million.

OTHER:

Management fee of \$985,638 was waived and is recorded as a contribution to the School.

School Name	FY16 Revenues	FY16 Operating Result
The Children's Guild DC PCS	\$9,039,521	\$187,141
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	Most Recent Public Financials
The Children's Guild	Non-Profit	http://www.guidestar.org/FinDocuments/2015/520/634/2015-520634411-0cc2fa-da-9.pdf
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Andrew Ross	President and CEO	\$352,611
Services Provided	FY16 Payment	% of School Revenue
Accounting/HR/IT - see full details in agreement		0%
Total		0%
DC PCSB Comments		
<p>The Children's Guild, Inc. (the Guild) has several major programs, including management of charter schools in Washington, DC, and Maryland, and management of non-public special education schools in Maryland. The Guild assisted in the School's initial formation and provides management and administrative services to the School. The annual fee is 12% of gross revenue, plus reimbursement of certain costs paid by the Guild on the School's behalf. In 2016 the Guild waived the annual management fee of \$985,638.</p> <p>Please note that the highest paid employee above was taken from the most recent 990 available at the time this report was produced.</p>		
School Comments		