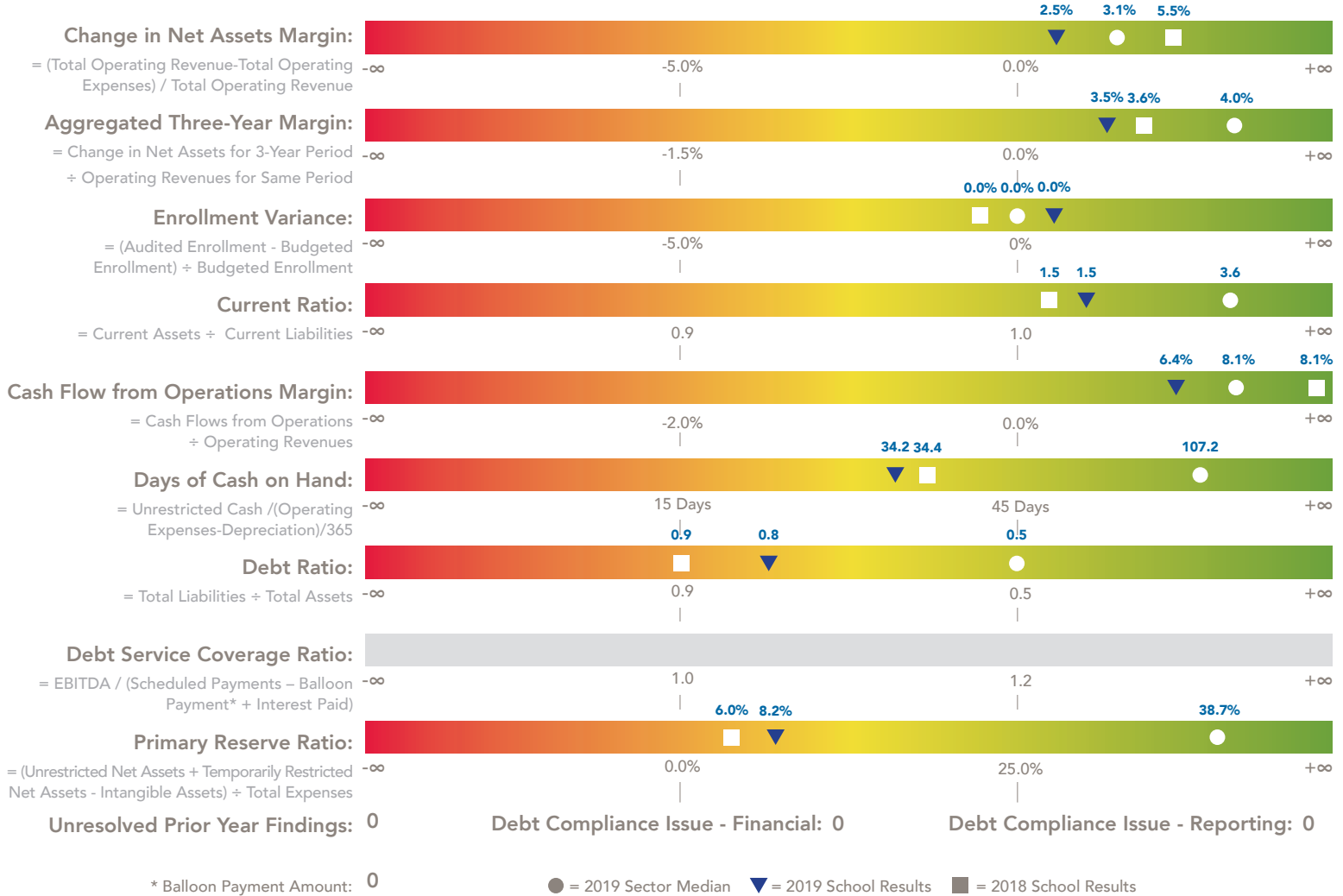


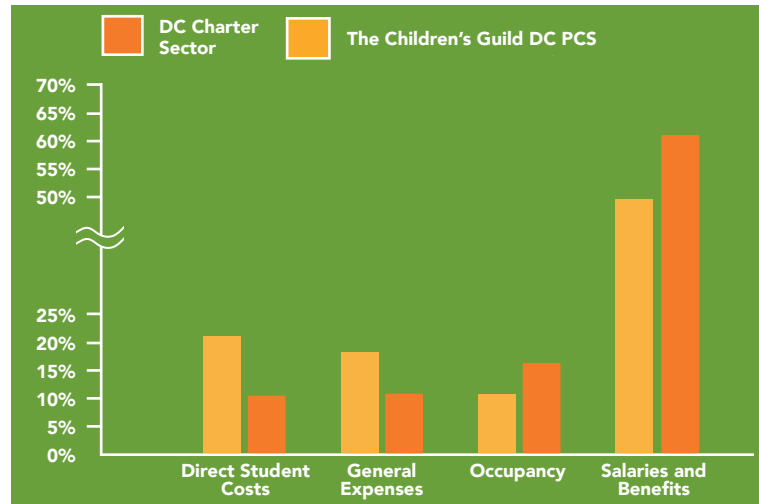
### KEY FINANCIAL INDICATORS



#### Comments from the School

In accordance with the FASB Accounting Standard Codification, accounting for the lease held by The Children's Guild DC Campus requires that the leasehold improvements completed by the landlord per the lease agreement are included as an asset and liability on the balance sheet. The deferred rent amount will be amortized as a reduction of rent expense over the lease term. The deferred rent amount exists on the balance sheet only as a requirement of the FASB Accounting Standards, and there is no cash impact related to this balance. If this accounting treatment were excluded from the debt ratio, the debt ratio would be 0.42, which is less than target of 0.5.

#### PCS EXPENSES BY CATEGORY



# THE CHILDREN'S GUILD DC PCS

## FY2019 Financial Analysis Report

### FINANCIAL POSITION

	2019	2018
Total Assets	\$6,236,510	\$5,996,389
Current Assets	\$2,038,000	\$1,751,231
Total Liabilities	\$5,154,995	\$5,255,236
Current Liabilities	\$1,330,240	\$1,143,733
Net Asset Position	\$1,081,515	\$741,153

### FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	\$13,557,719	\$13,018,493
Expenses	\$13,217,357	\$12,303,185
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$340,362	\$715,308

### 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	\$33,373	\$31,628	\$19,863
Grants and Contributions Per Student	\$0	\$1	\$346
Total Revenues per Student	\$36,058	\$34,716	\$23,270
Expenses per Student	\$35,153	\$32,808	\$22,981

### PCSB OBSERVATIONS

The school's financial performance in FY 2019 was adequate. The school's change in net assets margin and aggregated three-year margin were 2.5% and 3.5%, respectively for 2019, showing that the school continues to manage expenses and achieve operating surpluses. In addition, the school continues to pay down a line of credit (LOC) from The Children's Guild Inc., originally extended to the school in 2014 to provide initial working capital. Balances on the LOC declined to \$196K from \$604K one year earlier. The school's primary reserve ratio is relatively low at 8.2% but has improved from 6.0% at year-end 2018.

#### Property Lease:

In 2015, the school entered into a lease agreement which expires in 2030, with an option for three renewal periods of five years each. Rent expense for the year ended in June 30, 2019, was \$1.2M.

School Name	FY19 Revenues	FY19 Operating Result
The Children's Guild DC PCS	\$13,557,719	\$340,362
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
The Children's Guild	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Andrew Ross	President and Chief Executive Officer	\$384,226.00
Services Provided	FY19 Payment	% of School Revenue
Non-Profit	\$1,626,806	12%
<b>Total</b>	<b>\$1,626,806</b>	<b>12%</b>
DC PCSB Comments		
<p>The Children's Guild Inc. (the Guild) has several major programs, including management of charter schools. 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 2019, the total amount paid to the Guild was \$1.8MM, which included \$1.6MM of management fees related to FY 2019.</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		