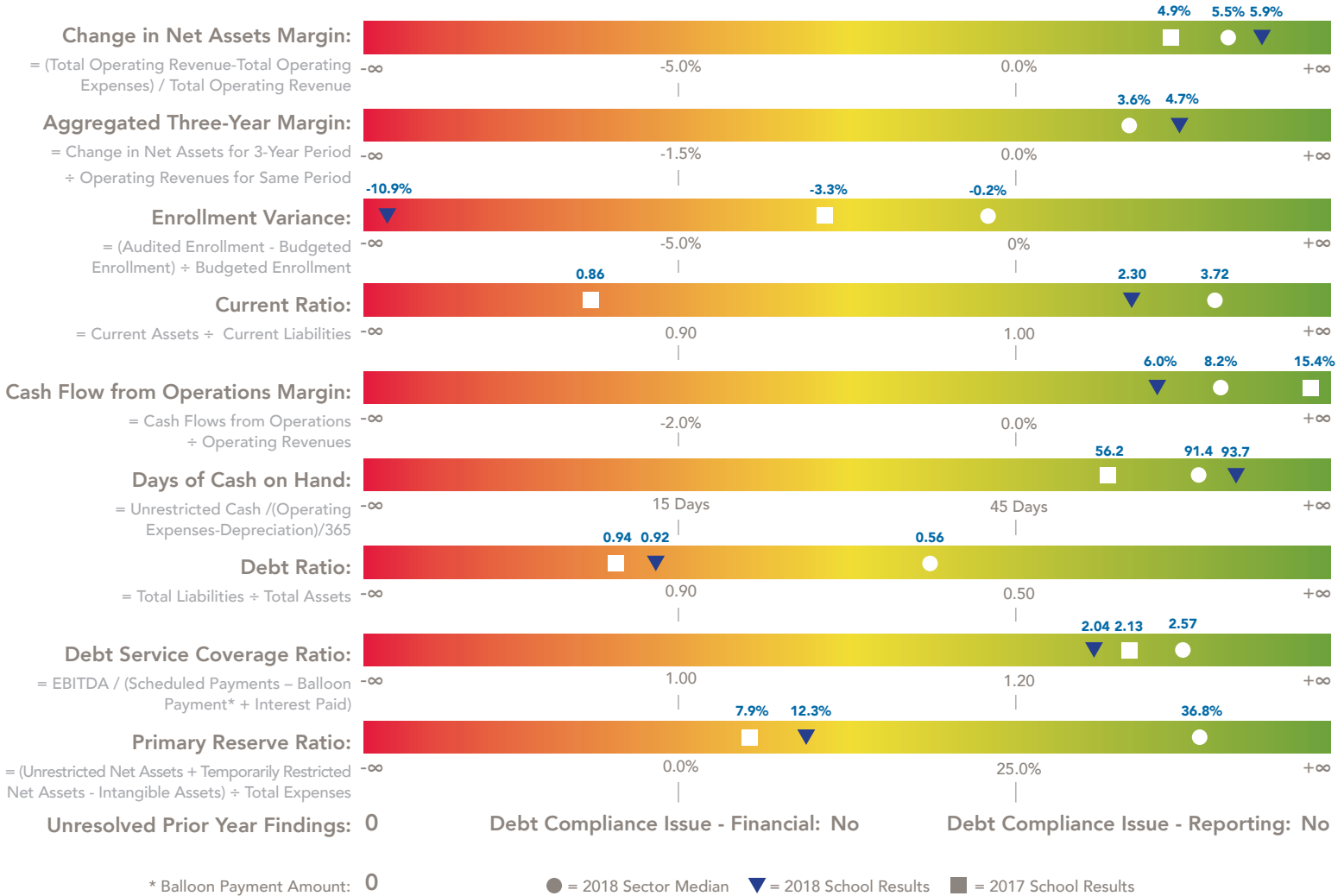


Opened:  
2015 - 2016

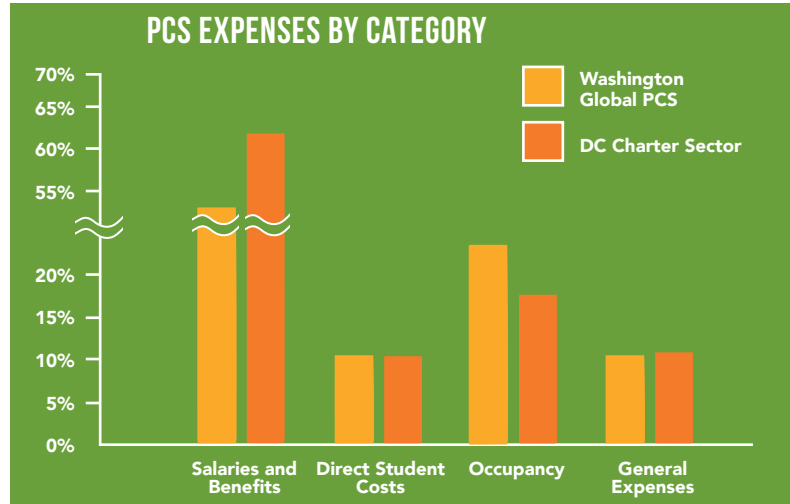
Audited Enrollment:  
196

### KEY FINANCIAL INDICATORS



#### Comments from the School

[Empty box for school comments]



# WASHINGTON GLOBAL PCS

## FY2018 Financial Analysis Report

### FINANCIAL POSITION

	2018	2017
Total Assets	\$6,953,952	\$4,259,287
Current Assets	\$1,665,364	\$744,654
Total Liabilities	\$6,413,958	\$3,995,704
Current Liabilities	\$723,592	\$863,204
Net Asset Position	\$539,994	\$263,583

### FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$4,669,150	\$3,517,601
Expenses	\$4,392,739	\$3,344,057
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$276,411	\$173,544

### 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	\$20,620	\$18,246	\$19,243
Grants and Contributions Per Student	\$570	\$82	\$492
Total Revenues per Student	\$23,822	\$20,216	\$22,382
Expenses per Student	\$22,412	\$19,219	\$21,375

### PCSB OBSERVATIONS

In its three years of operation, the school has consistently produced operating surpluses. In FY 2018, it generated a surplus of \$263K, representing a change in net assets margin of 5.9%. Cash balances increased to nearly \$1.4M in FY 2018 from \$493K in FY 2017, driving an increase in the school's current ratio to 2.3 from 0.9, well above DC PCSB's standard. Strong liquidity was also evidenced by the school's cash flow from operations margin of 6.0%, meaning that the school was generating significant cash flow relative to its revenues. While the school's long-term debt increased to \$5.7M in FY 2018 from \$3.1M in FY 2017, the debt service coverage ratio of 2.0 indicated that the school had the capacity to service its debt. The school's debt ratio of 0.92 and its primary reserve ratio of 12.3 were relatively low. This was not a concern, however, for a relatively new school that is expected to continue to build reserves.

In April 2015, the school entered into a lease agreement with 525 School Street Associates LLC for its 525 School Street, SW, property for a term of 25 years. Base rent will increase or decrease based on factors including occupied square footage, per-pupil funding allowance, and enrollment. Rent expense for FY 2018 totaled \$342K. The school had sublet a portion of this property to two separate parties. These subleases were terminated in FY 2018.

In November 2015, the school secured a loan from United Bank for \$2M to finance leasehold improvement costs on the school's property. An additional \$1.4M loan with United Bank and a \$500K loan with Building Hope were secured in September 2016 for the second phase of renovations. In October 2017, the school secured an additional \$2.9M in loans from United Bank to finance the third phase of renovations.