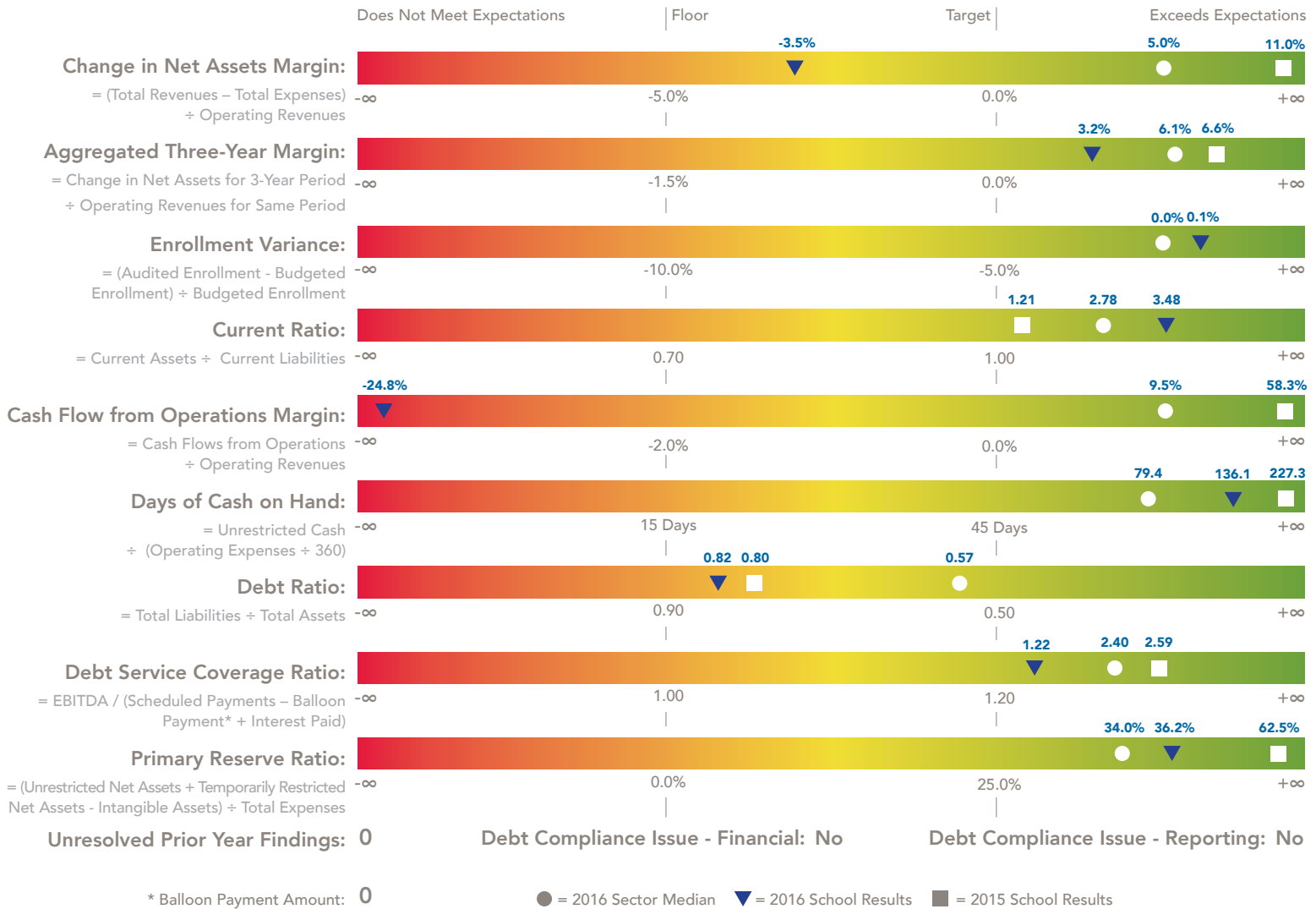


Opened:
2004 - 2005

Audited Enrollment:
695

KEY FINANCIAL INDICATORS

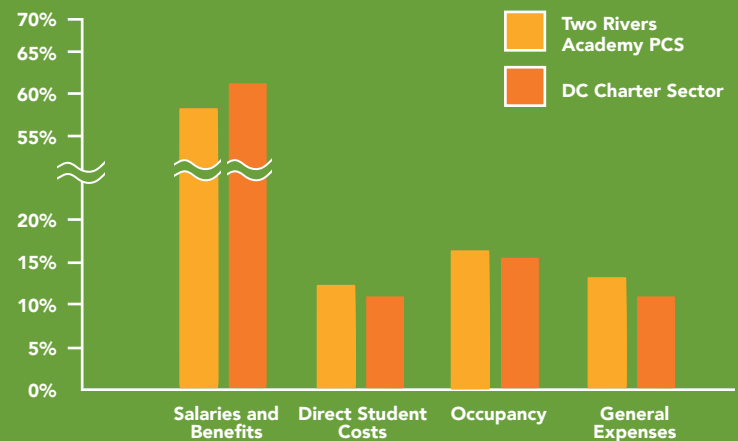


Comments from the School

1) The total expense includes non-operating/unrealized items and is not comparable to last year's data which did not include swap unrealized gains/losses.

2) Operating cash flow (item 5 in the FAR) is distorted and the calculation does not accurately reflect operations as it includes the cash flow (not operations cash flow) associated with construction payables that would more correctly be considered an investing cash flow because it was debt-backed.

PCS EXPENSES BY CATEGORY



TWO RIVERS PCS

FY2016 Financial Report Card

FINANCIAL POSITION

	2016	2015
Total Assets	\$36,135,790	\$34,816,604
Current Assets	\$7,063,607	\$7,421,611
Total Liabilities	\$29,760,529	\$27,926,885
Current Liabilities	\$2,027,460	\$6,118,952
Net Asset Position	\$6,375,261	\$6,889,719

FINANCIAL ACTIVITIES

	2016	2015
Revenues and Support	\$14,570,009	\$11,419,022
Expenses	\$14,862,695	\$10,167,342
Non-operating Revenues (Expenses)	\$(221,772)	\$-
Surplus (Deficit)	\$(514,458)	\$1,251,680

AUDIT FINDINGS

	2016	2015
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

	2016	2015	2016 Sector Median
DC Funding per Student	\$17,502	\$17,949	\$17,657
Philanthropic Funding per Student	\$1,663	\$1,189	\$581
Total Revenues per Student	\$20,964	\$22,044	\$20,775
Expenses per Student	\$21,385	\$19,628	\$19,644

PCSB OBSERVATIONS

DEBT:

\$13.2M balance from June 2013 DC Revenue Bonds/bank refinancing of loans for the purchase of 1227 and 1234 4th St, NE facilities. Maturity 2038; 2.52% interest rate fixed by a swap, maturity June 2018. The fair value of the swap liability at year-end was \$324,827.

The School entered an agreement for a bank to purchase the bonds and hold them until June 2018, after which the School will either renew this commitment or find another credit facility to support the bonds and allow them to be resold on the open market.

In December 2015, the school entered into a loan agreement for the construction and renovation of the Charles E. Young Elementary School under the New Market Tax Credit (NMTC) program. The \$14.9M NMTC transaction includes several loans with the following year-end balances:

\$4.7M SunTrust loan, interest rate of one-month LIBOR+2.75% per annum, effective rate of 3.21% with an interest rate swap; maturity in 2020.

\$1.3M OPCSFS loan, interest rate of 4.5% per annum; maturity in 2022.

\$5.8M Community Urban Revitalization (CURE) loans, interest rate of 4.149%; maturity dates in 2022 and 2040.

\$3M balance on ST CDE loans, interest rate of 4.149%; maturity dates in 2022 and 2040.

FACILITIES:

In addition to the 4th St facilities detailed above, the School has a September 1, 2015 lease agreement with DC to lease the Charles Young School that expires in 2040, with an option to renew for an additional 25 years. Rent abatement is available in the form of rent credits for construction costs on a dollar-for-dollar basis, as long as the initial construction project is at least \$10M. As of year-end, the School has incurred \$13.8M of construction costs on the Charles Young School that will be amortized over the lease term once construction is complete.

NON-OPERATING EXPENSE:

The change in the fair value of interest rates swaps was recorded as a non-operating expense of \$221,772.

Assets of \$5.5M in land and \$11.1M in building.