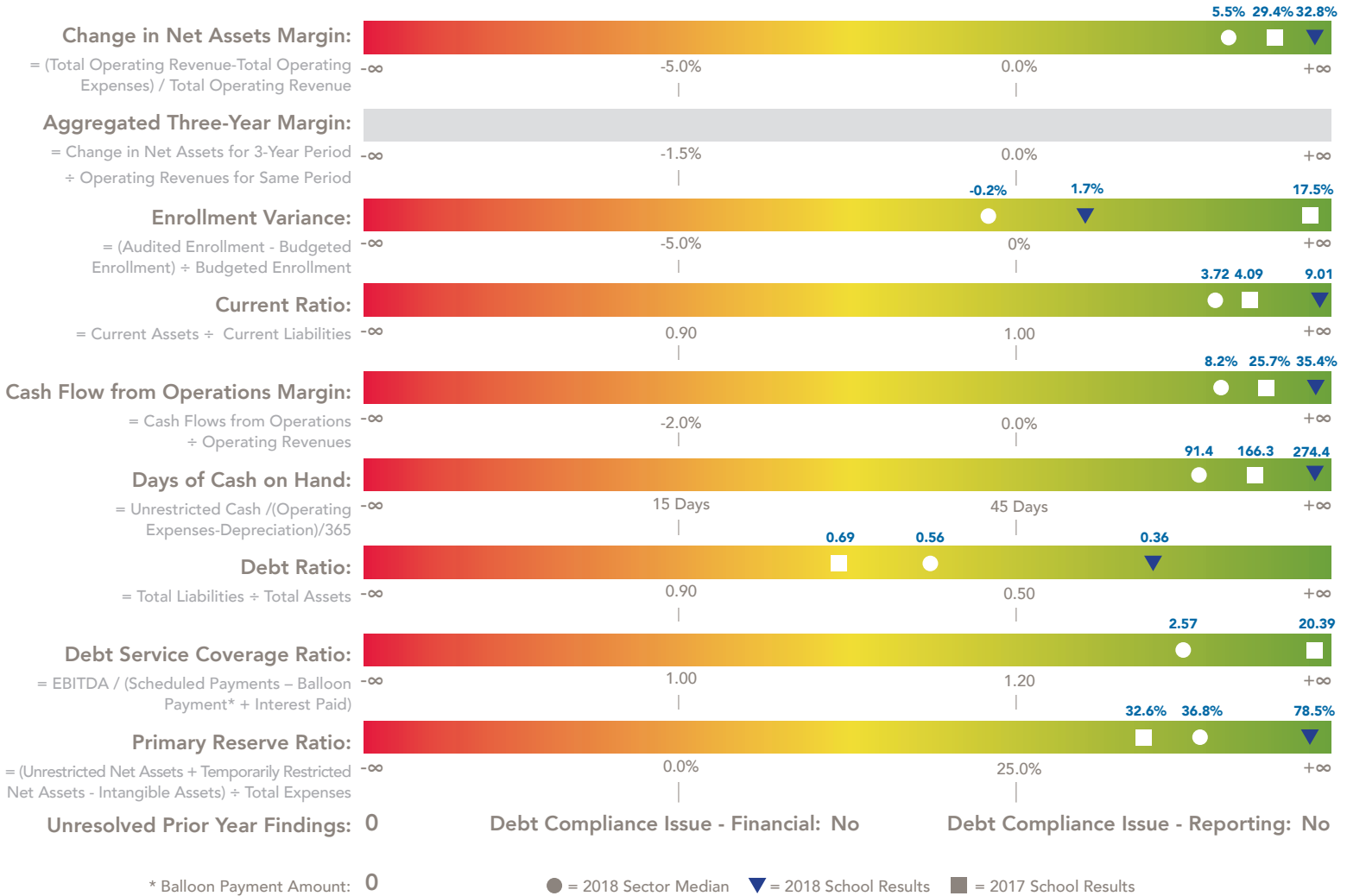


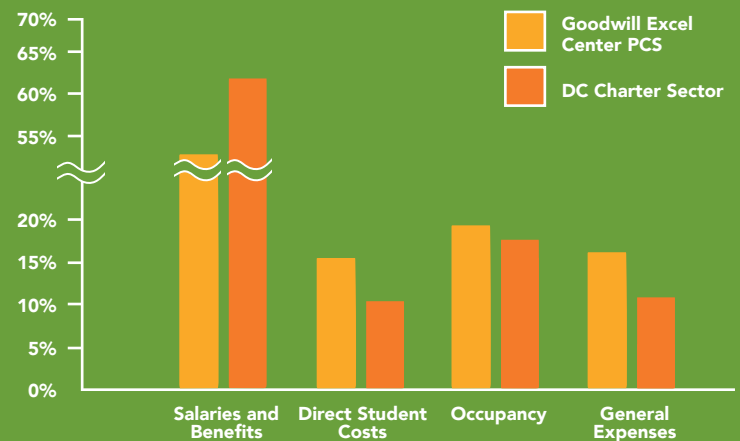
KEY FINANCIAL INDICATORS



Comments from the School

GEC paid a management fee of \$550,710 for the fiscal year ended June 30, 2018, to Goodwill of Greater Washington for executive management and administrative support services, including services provided by the president and CEO. GEC does not pay the salary of the president and CEO. Please refer to www.dcgoodwill.org/financial-reports/ for the most recent Form 990 that provides full and complete context for all information related to Goodwill of Greater Washington.

PCS EXPENSES BY CATEGORY



GOODWILL EXCEL CENTER PCS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	\$6,283,197	\$4,941,670
Current Assets	\$3,736,368	\$2,089,916
Total Liabilities	\$2,285,022	\$3,425,074
Current Liabilities	\$414,867	\$510,543
Net Asset Position	\$3,998,175	\$1,516,596

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$7,573,239	\$6,587,395
Expenses	\$5,091,660	\$4,648,405
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$2,481,579	\$1,938,990

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	\$18,948	\$15,350	\$19,243
Grants and Contributions Per Student	\$2,250	\$946	\$492
Total Revenues per Student	\$21,273	\$17,244	\$22,382
Expenses per Student	\$14,302	\$12,169	\$21,375

PCSB OBSERVATIONS

In its second year of operations, the school remained financially sound, producing a surplus of \$2.5M in FY 2018. The school's liquidity strengthened as the current ratio and days of cash on hand increased to 9.0 and 274, respectively. Liquidity represents the school's ability to convert assets to cash in order to meet obligations in the next year; it is used as an indicator for short-term financial health. The school's primary reserve ratio, a metric that compares total net assets to total expenses for the year, was approximately 79%, indicating the school had sufficient net assets. DC PCSB considers a ratio of 0 to 25% to be sufficient.

In December 2015, the school entered into a non-cancellable operating lease that is set to expire in April 2027. The lease agreement required a deposit of \$127K and includes monthly base rent payments of \$63.3K with annual increases and a 15-month rental abatement. Under the lease, there was also a \$1.27M tenant improvement allowance to be used within the first year after the rent commencement date of June 30, 2016. Total net rent expense for FY 2018 amounted to roughly \$552K.

The school is affiliated with Goodwill of Greater Washington (GGW) through common management. In May 2015, the school entered into a Management and Administrative Support Services, Staffing and Sublicense Agreement with GGW, under which the school paid \$551k in management fees during the fiscal year ending June 30, 2018 in addition to other reimbursable costs including labor and other direct costs. GGW also lent the school \$1.1M for leasehold improvements in FY 2017 which was paid in full as of June 30, 2018.

School Name	FY18 Revenues	FY18 Operating Result
Goodwill Excel Center PCS	\$7,573,239	\$2,481,579
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
Goodwill of Greater Washington	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Catherine Meloy	President and CEO	\$526,916
Services Provided	FY18 Payment	% of School Revenue
Management and Administrative Support Services	\$2,347,808	
Total	\$2,347,808	

DC PCSB Comments

Goodwill of Greater Washington (GGW) was established as a provider of quality service programs to those in need of support and/or training necessary to assume a self-sufficient role in their community.

Please note that the highest paid employee above was taken from the most recent 990 available at the time this report was produced.

The compensation of the highest paid employee includes over \$00K in deferred compensation and accrued retention bonus, payable only if the Officer stays with GGW through a certain date. The compensation is not paid by Goodwill Excel Center PCS.

School Comments

GEC paid a management fee of \$550,710 for the fiscal year ending June 30, 2018 to Goodwill of Greater Washington for executive management and administrative support services provided by Goodwill of Greater Washington to GEC; including services provided by the President and CEO. GEC does not pay the salary of the President and CEO.

GEC was billed \$2,347,808 for reimbursable costs relating to labor and other direct costs in accordance with the terms of the Management and Administrative Support Services, Staffing and Sublicense Agreement with Goodwill of Greater Washington, executed as of May 1, 2015 with subsequent amendments effective on July 1, 2016 and July 1, 2018.