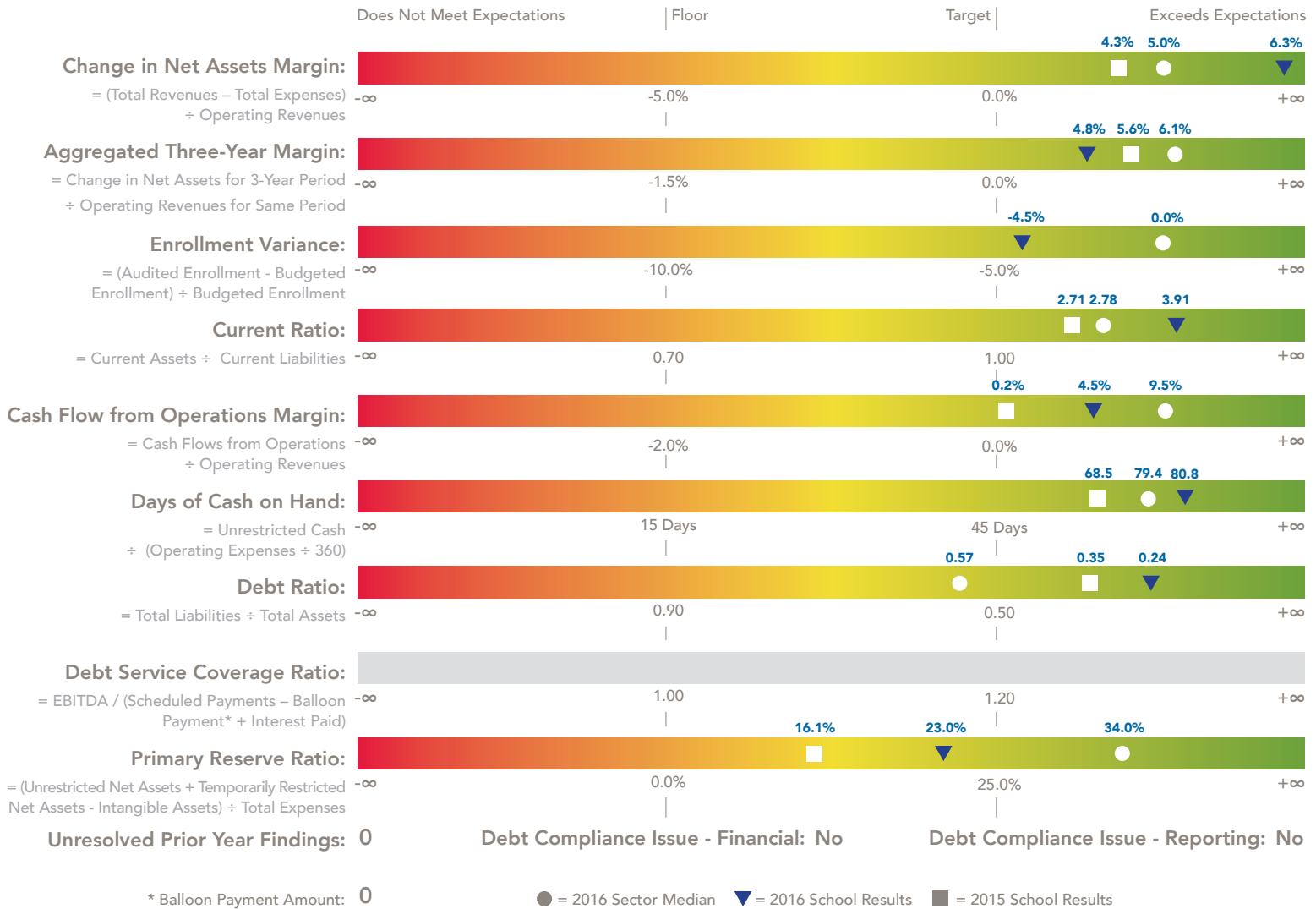
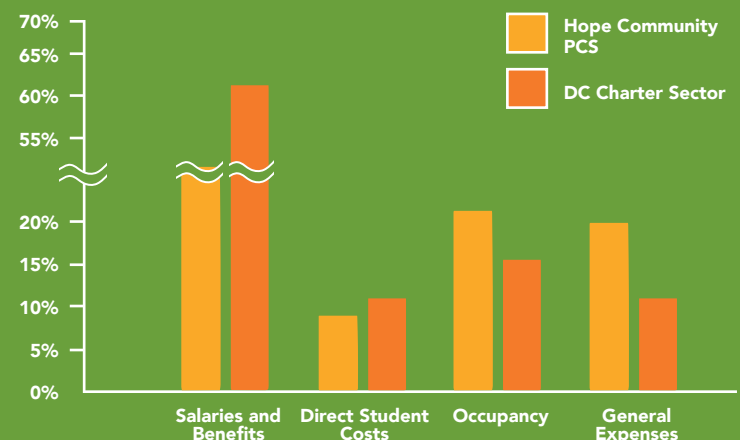


### KEY FINANCIAL INDICATORS



#### Comments from the School

#### PCS EXPENSES BY CATEGORY



# HOPE COMMUNITY PCS

## FY2016 Financial Report Card

### FINANCIAL POSITION

	2016	2015
<b>Total Assets</b>	<b>\$4,591,503</b>	<b>\$3,807,511</b>
<b>Current Assets</b>	<b>\$4,322,957</b>	<b>\$3,616,301</b>
<b>Total Liabilities</b>	<b>\$1,104,821</b>	<b>\$1,335,316</b>
<b>Current Liabilities</b>	<b>\$1,104,821</b>	<b>\$1,335,316</b>
<b>Net Asset Position</b>	<b>\$3,486,682</b>	<b>\$2,472,195</b>

### FINANCIAL ACTIVITIES

	2016	2015
<b>Revenues and Support</b>	<b>\$16,187,841</b>	<b>\$16,051,964</b>
<b>Expenses</b>	<b>\$15,173,354</b>	<b>\$15,367,227</b>
<b>Non-operating Revenues (Expenses)</b>	<b>\$-</b>	<b>\$-</b>
<b>Surplus (Deficit)</b>	<b>\$1,014,487</b>	<b>\$684,737</b>

### AUDIT FINDINGS

	2016	2015
<b>Qualified/Modified/Adverse Opinion on the Financial Statements</b>	<b>No</b>	<b>No</b>
<b>Material Weakness in Internal Control over Financial Reporting (GAS)</b>	<b>No</b>	<b>No</b>
<b>Non-compliance Material to the Financial Statements (GAS)</b>	<b>No</b>	<b>No</b>
<b>Modified Opinion on Major Federal Award Programs (Uniform Guidance)</b>	<b>No</b>	<b>No</b>
<b>Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)</b>	<b>No</b>	<b>No</b>
<b>Findings and Questioned Costs</b>	<b>2</b>	<b>0</b>
<b>Going-Concern Issue</b>	<b>No</b>	<b>No</b>

### REVENUES/EXPENSES PER STUDENT

	2016	2015	2016 Sector Median
<b>DC Funding per Student</b>	<b>\$17,895</b>	<b>\$16,969</b>	<b>\$17,657</b>
<b>Philanthropic Funding per Student</b>	<b>\$-</b>	<b>\$-</b>	<b>\$581</b>
<b>Total Revenues per Student</b>	<b>\$19,363</b>	<b>\$18,345</b>	<b>\$20,775</b>
<b>Expenses per Student</b>	<b>\$18,150</b>	<b>\$17,563</b>	<b>\$19,644</b>

### PCSB OBSERVATIONS

#### RELATED PARTY:

See the following pages for information about the School's relationship with Imagine Schools, Inc. In addition, the School leases its facilities from an affiliate related to Imagine through common ownership (Schoolhouse Finance, LLC).

#### FACILITIES:

\$2.8M in rent expense at year-end for facilities from Schoolhouse Finance, LLC, (a subsidiary of Imagine Schools, the School's management organization) for the following campuses:

\$1.3M for Tolson Campus located at 2917 8th St, NE; expires 2020.

\$1.5M for Lamond Campus located at 6200 Kansas Ave NE.

#### AUDIT FINDING:

Significant deficiency over financial reporting. Several accounts had not been reconciled, and as a result, several adjustments were made.

School Name	FY16 Revenues	FY16 Operating Result
Hope Community PCS	\$16,187,841	\$1,014,487
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	Most Recent Public Financials
Imagine Schools Non-Profit, Inc	Non-Profit	<a href="http://thegivingpartner.guidestar.org/ViewEdoc.aspx?eDocId=3849135&amp;approved=True">http://thegivingpartner.guidestar.org/ViewEdoc.aspx?eDocId=3849135&amp;approved=True</a>
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Barry Sharp	CEO/CFO/PRES/TREAS	\$390,000
Services Provided	FY16 Payment	% of School Revenue
Administrative expenses	\$60,000	0.4%
Management fees	\$1,934,611	12.0%
<b>Total</b>	<b>\$1,994,611</b>	<b>12.4%</b>
DC PCSB Comments		
<p>Imagine Schools, Inc. (Imagine), the school's management company, provides ongoing operational and financial support under an operating contract. To the extent the School does not have sufficient funds to pay operating expenses, Imagine will advance funds on a reimbursement basis. Payments to Imagine Schools, Inc. include:</p> <p>\$1.9M management fee (12% of total revenue provided by state and local governments), plus \$60,000 in administrative expenses (\$2,500 monthly administrative fee per campus).</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> <p>Subsequent to Fiscal Year 2016, in collaboration with DC PCSB, the School revised its practices for overseeing its relationship with Imagine. These events will be addressed in the School's Fiscal Year 2017 audit and Financial Audit Review Report.</p>		
School Comments		

School Name	FY16 Revenues	FY16 Operating Result
Hope Community PCS	\$16,187,841	\$1,014,487
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	Most Recent Public Financials
Schoolhouse Finance, LLC	For Profit	None
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Unknown	Unknown	Unknown
Services Provided	FY16 Payment	% of School Revenue
Rent - Tolson facility	\$1,328,188	8%
Rent - Lamond facility	\$1,538,094	10%
<b>Total</b>	<b>\$2,866,282</b>	<b>18%</b>
DC PCSB Comments		
Schoolhouse Finance, LLC, a subsidiary of Imagine Schools Non-Profit, Inc., rents the School's facilities from Real Estate Investment Trusts and sublets them to the School. In the School's Ten-Year Review Report, DC PCSB staff raised concerns and made recommendations to the School with respect to its rental agreements with Schoolhouse Finance; the School has acted on these recommendations.		
School Comments		