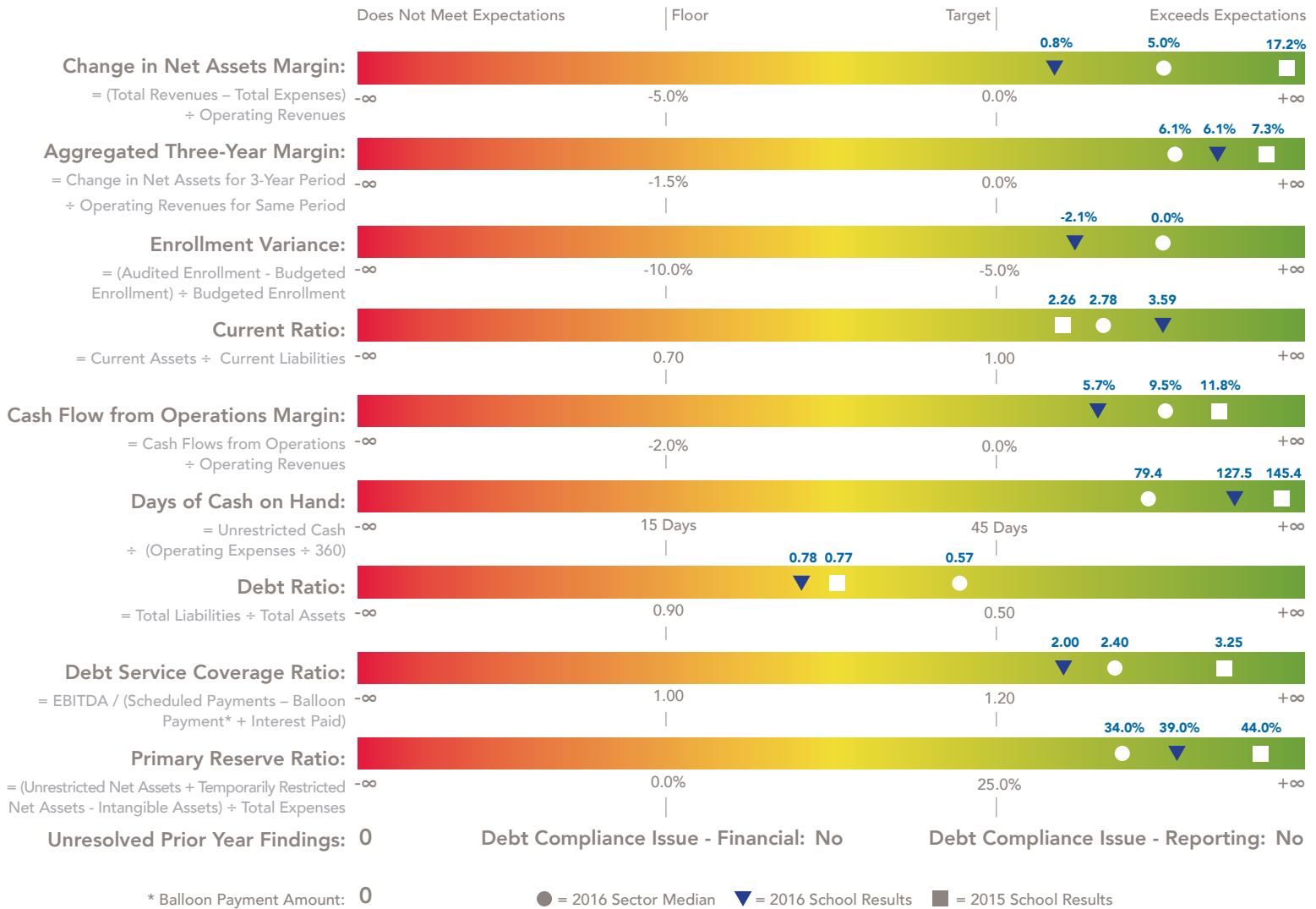


Opened:
1998 - 1999

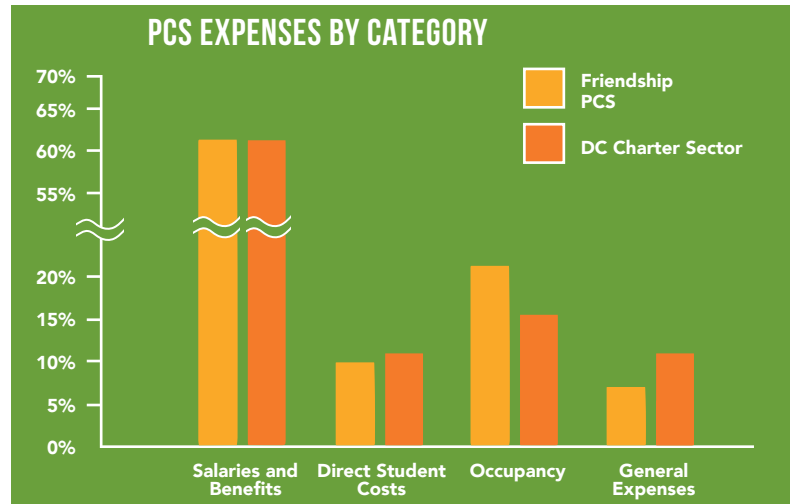
Audited Enrollment:
4,227

KEY FINANCIAL INDICATORS



Comments from the School

[Empty box for school comments]



FRIENDSHIP PCS

FY2016 Financial Report Card

FINANCIAL POSITION

	2016	2015
Total Assets	\$169,296,806	\$157,293,236
Current Assets	\$35,661,118	\$33,883,805
Total Liabilities	\$131,614,236	\$120,343,988
Current Liabilities	\$9,938,294	\$14,999,009
Net Asset Position	\$37,682,570	\$36,949,248

FINANCIAL ACTIVITIES

	2016	2015
Revenues and Support	\$88,383,351	\$87,723,045
Expenses	\$84,915,421	\$74,101,696
Non-operating Revenues (Expenses)	\$(1,007,468)	\$8,551,987
Surplus (Deficit)	\$733,322	\$13,621,349

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	\$17,886	\$17,393	\$17,657
Philanthropic Funding per Student	\$640	\$917	\$581
Total Revenues per Student	\$20,501	\$21,283	\$20,775
Expenses per Student	\$20,089	\$19,920	\$19,644

PCSB OBSERVATIONS

DEBT:

\$3M balance on note payable to Office of Public Charter School Financing and Support (OPCSFS) with interest only payments; maturity 2046. The School has \$3M in Debt Reserves held as restricted cash balances related to this loan.

\$34.4M balance from October 2012 DC Revenue Bond/bank financing for development of Tech Prep campus and refinancing of Building Hope loans; 4.78% - 5.00% interest, maturity 2042.

\$57.9M balance on March 2016 note payable (2016A) to finance refundings of 2003 and 2006 notes, fund the cost of certain capital projects, refinance a \$4.5M loan issued to acquire a previously-leased campus, fund a portion of the 2016 debt service reserve fund, and to pay certain costs related to the issuance of the 2016A bonds. 5.00% interest; maturity 2046.

\$20.9M balance on March 2016 note payable (2016B) to finance the current refunding of the 2007 note payable and to fund certain costs related to the issuance of the 2016B bonds. 2.1% interest; maturity 2026.

\$24.6M restricted cash and investments in restricted reserves and restricted project funds, an increase of \$10.5M from prior year. The refinancings resulted in \$2.7M write-off of unamortized loan issuance costs.

FACILITIES:

Assets of \$121M in building and leasehold improvements and \$7.3M in land.

\$1M rent expense under leases for Collegiate Academy facilities from DC and administrative offices from BDC Q St, LLC; expire 2020. In December 2015, the School negotiated \$2.7M of rent credits in the Collegiate Academy capital lease. The fair value of these credits made available to the School are estimated at \$1.6M and are regarded as contribution revenue in 2016.

The School has approximately \$11.2 million in total rent credits available at year-end.

Non-operating revenues consist of \$171,759 in interest income and \$1,555,381 for the fair value of rent credits obtained regarded as contribution revenue. The rent credits were recorded because Friendship assumed the assets and related debt of two charter school campuses previously operated by Dorothy I. Height Community Academy Public Charter School, Inc. Non-operating expenses of \$2,734,608 were for the elimination of unamortized loan issuance costs.