

**ACHIVEMENT PREPARATORY ACADEMY
PUBLIC CHARTER SCHOOL**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2018 AND 2017

TABLE OF CONTENTS

| | <u>Page No</u> |
|--|----------------|
| INDEPENDENT AUDITOR'S REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Statements of Financial Position | 3 |
| Statement of Activities, Year Ended June 30, 2018 | 4 |
| Statement of Activities, Year Ended June 30, 2017 | 5 |
| Statement of Functional Expenses, Year Ended June 30, 2018 | 6 |
| Statement of Functional Expenses, Year Ended June 30, 2017 | 7 |
| Statements of Cash Flows | 8 |
| Notes to the Financial Statements | 9 - 17 |
| REPORTS AND SCHEDULES REQUIRED BY THE UNIFORM GUIDANCE | |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 18 - 19 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 20 - 21 |
| Schedule of Expenditures of Federal Awards | 22 |
| Notes to the Schedule of Expenditures of Federal Awards | 23 |
| Schedule of Findings and Questioned Costs | 24 - 25 |



Independent Auditor's Report

The Board of Trustees
Achievement Preparatory Academy Public Charter School
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Achievement Preparatory Academy Public Charter School, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Achievement Preparatory Academy Public Charter School as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2018, on our consideration of Achievement Preparatory Academy Public Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Achievement Preparatory Academy Public Charter School's internal control over financial reporting and compliance.

Jane Marusa & McQuade PA

Washington, DC
November 5, 2018

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

| | 2018 | 2017 |
|--|----------------------|----------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash | \$ 9,488,582 | \$ 8,029,680 |
| Cash, restricted | 690,158 | 820,078 |
| Total Cash and Cash, Restricted | 10,178,740 | 8,849,758 |
| Grants receivable | 260,493 | 221,185 |
| Accounts receivable | 12,195 | 21,638 |
| Prepaid expenses | 155,092 | 15,630 |
| Total Current Assets | 10,606,520 | 9,108,211 |
| PROPERTY AND EQUIPMENT, NET | 31,188,090 | 31,998,619 |
| OTHER ASSETS | | |
| Security deposit | 5,900 | 5,900 |
| Total Other Assets | 5,900 | 5,900 |
| TOTAL ASSETS | \$ 41,800,510 | \$ 41,112,730 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 183,686 | \$ 431,647 |
| Accrued expenses | 204,052 | 159,633 |
| Current portion of long-term debt | 439,419 | 345,827 |
| Deferred revenue | 945 | 23,331 |
| Accrued interest payable | 129,655 | 128,352 |
| Total Current Liabilities | 957,757 | 1,088,790 |
| NONCURRENT LIABILITIES | | |
| Long-term debt, net | 34,001,032 | 34,284,629 |
| Total Noncurrent Liabilities | 34,001,032 | 34,284,629 |
| TOTAL LIABILITIES | 34,958,789 | 35,373,419 |
| NET ASSETS | | |
| Unrestricted | 6,718,721 | 5,616,311 |
| Temporarily restricted | 123,000 | 123,000 |
| Total Net Assets | 6,841,721 | 5,739,311 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 41,800,510 | \$ 41,112,730 |

The accompanying notes are an integral part of these financial statements.

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--------------------------------------|---------------------|-----------------------------------|---------------------|
| REVENUE AND SUPPORT | | | |
| Per pupil appropriations | \$ 14,821,344 | \$ - | \$ 14,821,344 |
| Per pupil facility allowance | 3,071,404 | - | 3,071,404 |
| Federal entitlements and grants | 1,431,664 | - | 1,431,664 |
| Local grants | 100,900 | - | 100,900 |
| Other grants and contributions | 16,185 | - | 16,185 |
| Activity fees | 46,069 | - | 46,069 |
| Interest income | 34,351 | - | 34,351 |
| Total Revenue and Support | <u>19,521,917</u> | <u>-</u> | <u>19,521,917</u> |
| EXPENSES | | | |
| Program services | 15,678,966 | - | 15,678,966 |
| Management and general | 2,696,465 | - | 2,696,465 |
| Fundraising | 44,076 | - | 44,076 |
| Total Expenses | <u>18,419,507</u> | <u>-</u> | <u>18,419,507</u> |
| CHANGE IN NET ASSETS | 1,102,410 | - | 1,102,410 |
| NET ASSETS, beginning of year | <u>5,616,311</u> | <u>123,000</u> | <u>5,739,311</u> |
| NET ASSETS, end of year | <u>\$ 6,718,721</u> | <u>\$ 123,000</u> | <u>\$ 6,841,721</u> |

The accompanying notes are an integral part of these financial statements.

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

| | Unrestricted | Temporarily Restricted | Total |
|---|---------------------|---------------------------|---------------------|
| REVENUE AND SUPPORT | | | |
| Per pupil appropriations | \$ 12,886,404 | \$ - | \$ 12,886,404 |
| Per pupil facility allowance | 2,911,568 | - | 2,911,568 |
| Federal entitlements and grants | 1,243,802 | - | 1,243,802 |
| Local grants | 88,228 | - | 88,228 |
| Other grants and contributions | 135,165 | - | 135,165 |
| Activity fee | 113,177 | - | 113,177 |
| Interest income | 16,972 | - | 16,972 |
| Net assets released from restrictions | - | - | - |
| Total Revenue and Support | <u>17,395,316</u> | <u>-</u> | <u>17,395,316</u> |
| EXPENSES | | | |
| Program services | 13,850,489 | - | 13,850,489 |
| Management and general | 2,300,169 | - | 2,300,169 |
| Fundraising | 13,727 | - | 13,727 |
| Total Expenses | <u>16,164,385</u> | <u>-</u> | <u>16,164,385</u> |
| CHANGE IN NET ASSETS FROM OPERATIONS | 1,230,931 | - | 1,230,931 |
| NON-OPERATING LOSS | <u>(195,319)</u> | <u>-</u> | <u>(195,319)</u> |
| CHANGE IN NET ASSETS | 1,035,612 | - | 1,035,612 |
| NET ASSETS, beginning of year | <u>4,580,699</u> | <u>123,000</u> | <u>4,703,699</u> |
| NET ASSETS, end of year | <u>\$ 5,616,311</u> | <u>\$ 123,000</u> | <u>\$ 5,739,311</u> |

The accompanying notes are an integral part of these financial statements.

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

| | Program Services | Management and General | Fundraising | Total |
|---|----------------------|---------------------------|------------------|----------------------|
| PERSONNEL, SALARIES AND BENEFITS | | | | |
| Salaries | \$ 6,787,531 | \$ 1,011,242 | \$ - | \$ 7,798,773 |
| Employee benefits | 385,807 | 57,480 | - | 443,287 |
| Payroll taxes | 545,099 | 81,212 | - | 626,311 |
| Contracted staff | 377,082 | 2,506 | - | 379,588 |
| Professional development | 329,657 | 24,951 | - | 354,608 |
| Total Personnel, Salaries and Benefits | <u>8,425,176</u> | <u>1,177,391</u> | - | <u>9,602,567</u> |
| DIRECT STUDENT COSTS | | | | |
| Supplies and materials | 93,411 | - | - | 93,411 |
| Contracted student services | 501,779 | - | - | 501,779 |
| Food service/catering | 600,436 | - | - | 600,436 |
| Student assessments | 93,827 | - | - | 93,827 |
| Other student costs | 66,545 | - | - | 66,545 |
| Total Direct Student Costs | <u>1,355,998</u> | - | - | <u>1,355,998</u> |
| OCCUPANCY EXPENSES | | | | |
| Maintenance and repairs | 104,522 | 26,131 | - | 130,653 |
| Utilities | 155,777 | 38,944 | - | 194,721 |
| Contracted building services | 243,244 | 60,811 | - | 304,055 |
| Total Occupancy Expenses | <u>503,543</u> | <u>125,886</u> | - | <u>629,429</u> |
| OFFICE EXPENSES | | | | |
| Office supplies and materials | 40,629 | 10,157 | - | 50,786 |
| Equipment rental | 76,276 | 19,069 | - | 95,345 |
| Telecommunications | 52,994 | 13,248 | - | 66,242 |
| Postage and shipping | 3,154 | 789 | - | 3,943 |
| Total Office Expenses | <u>173,053</u> | <u>43,263</u> | - | <u>216,316</u> |
| GENERAL EXPENSES | | | | |
| Insurance | 59,636 | 14,909 | - | 74,545 |
| Administration fee | - | 174,978 | - | 174,978 |
| Accounting, auditing and payroll | - | 150,221 | - | 150,221 |
| Legal fees | 197,055 | 25,329 | - | 222,384 |
| Computer support fees | 77,531 | 19,383 | - | 96,914 |
| Other professional fees | - | 328,148 | - | 328,148 |
| Depreciation and amortization | 1,163,999 | 290,999 | - | 1,454,998 |
| Fundraising | - | - | 44,076 | 44,076 |
| Dues, fees and fines | - | 25,819 | - | 25,819 |
| Interest | 1,280,556 | 320,139 | - | 1,600,695 |
| Management fee | 2,442,419 | - | - | 2,442,419 |
| Total General Expenses | <u>5,221,196</u> | <u>1,349,925</u> | <u>44,076</u> | <u>6,615,197</u> |
| Total Expenses | <u>\$ 15,678,966</u> | <u>\$ 2,696,465</u> | <u>\$ 44,076</u> | <u>\$ 18,419,507</u> |

The accompanying notes are an integral part of these financial statements.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

| | Program Services | Management and General | Fundraising | Total |
|---|----------------------|---------------------------|------------------|----------------------|
| PERSONNEL, SALARIES AND BENEFITS | | | | |
| Salaries | \$ 5,861,085 | \$ 991,038 | \$ - | \$ 6,852,123 |
| Employee benefits | 255,430 | 43,191 | - | 298,621 |
| Payroll taxes | 479,454 | 81,070 | - | 560,524 |
| Contracted staff | 105,260 | 2,027 | - | 107,287 |
| Professional development | 444,374 | 17,735 | - | 462,109 |
| Total Personnel, Salaries and Benefits | <u>7,145,603</u> | <u>1,135,061</u> | - | <u>8,280,664</u> |
| DIRECT STUDENT COSTS | | | | |
| Supplies and materials | 129,816 | - | - | 129,816 |
| Library and media center materials | 795 | - | - | 795 |
| Contracted student services | 589,480 | - | - | 589,480 |
| Food service/catering | 638,711 | - | - | 638,711 |
| Student assessments | 74,963 | - | - | 74,963 |
| Other student costs | 130,672 | - | - | 130,672 |
| Total Direct Student Costs | <u>1,564,437</u> | - | - | <u>1,564,437</u> |
| OCCUPANCY EXPENSES | | | | |
| Maintenance and repairs | 47,615 | 11,904 | - | 59,519 |
| Janitorial services | 845 | 211 | - | 1,056 |
| Utilities | 119,149 | 29,787 | - | 148,936 |
| Contracted building services | 205,340 | 51,334 | - | 256,674 |
| Total Occupancy Expenses | <u>372,949</u> | <u>93,236</u> | - | <u>466,185</u> |
| OFFICE EXPENSES | | | | |
| Office supplies and materials | 52,137 | 13,033 | - | 65,170 |
| Equipment rental | 64,982 | 16,245 | - | 81,227 |
| Telecommunications | 49,627 | 12,407 | - | 62,034 |
| Postage and shipping | 1,823 | 456 | - | 2,279 |
| Total Office Expenses | <u>168,569</u> | <u>42,141</u> | - | <u>210,710</u> |
| GENERAL EXPENSES | | | | |
| Insurance | 62,457 | 15,615 | - | 78,072 |
| Administration fee | - | 171,822 | - | 171,822 |
| Accounting, auditing and payroll | - | 123,345 | - | 123,345 |
| Legal fees | 81,346 | 8,111 | - | 89,457 |
| Computer support fees | 68,375 | 17,093 | - | 85,468 |
| Other professional fees | - | 104,403 | - | 104,403 |
| Depreciation and amortization | 959,444 | 236,861 | - | 1,196,305 |
| Fundraising | - | - | 13,727 | 13,727 |
| Dues, fees and fines | - | 21,805 | - | 21,805 |
| Interest | 1,322,069 | 330,517 | - | 1,652,586 |
| Management fee | 2,104,603 | - | - | 2,104,603 |
| Other general expense | 637 | 159 | - | 796 |
| Total General Expenses | <u>4,598,931</u> | <u>1,029,731</u> | <u>13,727</u> | <u>5,642,389</u> |
| Total Expenses | <u>\$ 13,850,489</u> | <u>\$ 2,300,169</u> | <u>\$ 13,727</u> | <u>\$ 16,164,385</u> |

The accompanying notes are an integral part of these financial statements.

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

| | 2018 | 2017 |
|--|---------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 1,102,410 | \$ 1,035,612 |
| Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities: | | |
| Depreciation | 1,299,176 | 1,196,305 |
| Finance cost amortization | 155,822 | - |
| Loss on extinguishment of debt | - | 195,319 |
| (Increase) decrease in assets: | | |
| Grants receivable | (39,308) | (427) |
| Accounts receivable | 9,443 | (19,718) |
| Prepaid expenses | (139,462) | 33,376 |
| Security deposit | - | (5,900) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (247,961) | (4,193,757) |
| Accrued expenses | 44,419 | (1,902,000) |
| Accrued interest payable | 1,303 | 32,997 |
| Deferred revenue | (22,386) | 23,331 |
| Net Cash Provided by (Used for) Operating Activities | 2,163,456 | (3,604,862) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (488,647) | (2,625,009) |
| Net Cash Used for Investing Activities | (488,647) | (2,625,009) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Deferred financing costs | - | (204,658) |
| Payments on long-term debt | (345,827) | (6,575,247) |
| Proceeds from long-term debt | - | 7,744,480 |
| Net Cash (Used for) Provided by Financing Activities | (345,827) | 964,575 |
| NET INCREASE (DECREASE) IN CASH | 1,328,982 | (5,265,296) |
| CASH AND CASH RESTRICTED, beginning of year | 8,849,758 | 14,115,054 |
| CASH AND CASH RESTRICTED, end of year | \$ 10,178,740 | \$ 8,849,758 |
| SUPPLEMENTAL INFORMATION | | |
| Cash paid for interest | \$ 1,599,392 | \$ 1,379,958 |

The accompanying notes are an integral part of these financial statements.

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A – ORGANIZATION AND PURPOSE

Achievement Preparatory Academy Public Charter School (the “School”) was incorporated in January 2007 as a college preparatory public charter school located in Washington, DC. The School’s mission is to prepare students to excel as high-achieving scholars and leaders in high school, college, and beyond. Critical to School’s mission is also the idea of developing and fostering a strong character in its scholars. Daily, scholars focus on the development and practice of the School’s DREAM values (Determination, Respect, Enthusiasm, Accountability, and Mastery).

The School’s beliefs include:

- All students, regardless of race or socio-economic status, deserve a top-quality, rigorous college-preparatory education.
- When provided with a highly structured, disciplined, and supportive learning environment with quality, targeted instruction, all students will achieve the highest academic standards.
- Literacy is the most essential academic skill upon which the majority of all future skill and knowledge acquisition is based.

As a DC public charter school, the School has a guaranteed funding stream from the District of Columbia (per pupil funding) and the U.S. federal government (federal formula grants for education and other programs) provided it meets compliance requirements. A DC public charter school is considered a Local Educational Agency under federal education programs. As a DC public charter school, the School enjoys significant freedom from the budget and operational restrictions placed on traditional public schools, allowing it to create a unique educational mission and approach.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The School’s financial statements are prepared on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Basis of Presentation

Financial statement presentation follows Financial Standards Accounting Board (“FASB”) Accounting Standards Codification (“ASC”) Topic *Not-for-Profit-Entities*. In accordance with the topic, the School is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES - continued

Basis of Presentation - continued

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by either actions of the School and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that may be maintained permanently by the School. There were no permanently restricted net assets as of June 30, 2018 and 2017.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates that were assumed in preparing the financial statements.

Cash

Cash include any cash on hand and checking account balances. The School maintains its cash in bank deposit accounts which may, at times, exceed federally insured limits. The School believes it is not exposed to any significant credit risk on cash or cash equivalents.

Restricted Cash

Restricted cash is comprised of cash required to be maintained in separate accounts in accordance with debt agreements.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment acquired are recorded at cost or, if donated, at the approximate fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years. Leasehold improvements are amortized over the term of the lease or useful life of the asset, whichever is shorter. Maintenance and repairs which do not improve or extend the life of the respective asset are charged to expense when incurred.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment - continued

During 2016, the School began construction for a new middle school building adjoining the current facilities and other renovations to the existing School building. This construction and renovations ended August 2016 and all costs related to the construction that had been accumulated as construction-in-progress until the building was ready for occupancy, were reclassified as leasehold improvements and are now being depreciated over the useful life of the asset.

Grants and Accounts Receivable

Grants receivable consist of unsecured amounts from public funding sources whose ability to pay are subject to appropriations. Grants and accounts receivable are reported net of the allowance for doubtful accounts, if any. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, the age of outstanding receivable and existing economic conditions. If actual experience changes, revisions to the allowance may be necessary. Past due grants and accounts receivable are written off when internal collection efforts have been unsuccessful in collecting the amount due. As of June 30, 2018 and 2017, the majority of the receivables are due from governmental agencies. Due to the nature of funding from the federal government and the District of Columbia, management believes that all receivables will be collected within one year or less. Therefore, no allowance for doubtful accounts has been recorded.

Debt Issuance Costs

Cost incurred in the issuance of debt have been capitalized and are reported on the statement of financial position as a direct deduction from the related debt liability. Debt issuance costs are amortized as interest expense using the straight-line method over the remaining period of the debt, which approximates the effective interest method. The amortization of debt issuance costs as interest expenses for the years ended June 30, 2018 and 2017 totaled \$155,822 and \$186,495, respectively.

Contributions and Grants

Contributions received are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met within the same year as restricted funds are contributed, they are classified as unrestricted contributions.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Per Pupil Appropriations

Per pupil appropriated revenue is recognized during the period for which the associated education services are provided. Per pupil appropriations include \$3,992,414 and \$3,044,070 for the years ended June 30, 2018 and 2017, respectively, for enhancements, such as special education, English language learners, and at-risk students.

Deferred Revenue

Deferred revenue represents amounts received during the current fiscal year and deferred until the following fiscal year for recognition.

Activity Fees

Activity fees are recognized at the time of the activity. This revenue is amounts collected from students from, but not restricted to, field trips, camps and other school related activities.

Functional Expenses

The costs of providing the School's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs, fundraising and supporting services benefited.

Reclassifications

Certain amounts for the year ended June 30, 2017 have been reclassified to conform to the current year presentation. The reclassification had no effect on the previously reported net assets or change in net assets.

NOTE C – INCOME TAXES

The School is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code. In addition, the School is classified as an entity that is not a private foundation under Section 509(a)(1).

The School has adopted the accounting of uncertainty in income taxes as required by the *Income Taxes* topic of the FASB ASC. The topic requires the School to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE C – INCOME TAXES – continued

The tax benefit to be recognized is measured as the largest amount of benefit that is more than fifty percent likely of being realized upon ultimate settlement which could result in the School recording a tax liability that would reduce its net assets.

The School has analyzed its tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to any uncertain tax positions taken on returns filed for open tax years (2014-2016), or expected to be taken in its 2017 tax return. The School is not aware of any tax positions for which it believes that there is a reasonable possibility that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

NOTE D – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30:

| | 2018 | 2017 |
|-------------------------------------|---------------|---------------|
| Computers and computer applications | \$ 782,283 | \$ 641,928 |
| Classroom furnishings | 978,145 | 956,359 |
| Office furnishings | 75,413 | 73,239 |
| Construction in progress | - | 17,357 |
| Leasehold improvements | 32,713,051 | 32,371,362 |
| | 34,548,892 | 34,060,245 |
| Less accumulated depreciation | (3,360,802) | (2,061,626) |
| Property and Equipment, Net | \$ 31,188,090 | \$ 31,998,619 |

Construction in progress includes on-going renovations to the School. The School capitalized interest related to construction activities totaling \$0 and \$82,934, for the years ended June 30, 2018 and 2017, respectively. The interest capitalized is reported as a component of leasehold improvements in the statement of financial position. Depreciation expense for the years ended June 30, 2018 and 2017, totaled \$1,299,176 and \$1,196,305, respectively.

NOTE E – NOTES PAYABLE

Construction Financing

During May 2015, the School secured loans to finance construction and renovation of the School’s facility and payment of facility rent for \$24,075,000 from Bank of America (“BOA Loan”). The BOA Loan is collateralized by all real and personal property of the School.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE E – NOTES PAYABLE - continued

Amendments to the terms of the BOA Loan were made during December 2015 in connection with the New Market Tax Credit program (described below). As of June 30, 2018 and 2017, the BOA Loan had an outstanding principal balance of \$3,713,366 and \$4,059,194, respectively.

Based on the amended terms, interest accrues at a variable rate of daily floating LIBOR plus 3.50% per annum, and is reset daily. As of June 30, 2018 and 2017, interest accrued at a rate of 4.69% and 3.94% per annum, respectively. The BOA loan is scheduled to mature in December 2023. Interest only payments are due quarterly through November 2017. Thereafter, interest and principal payments are due quarterly based on a 25 year amortization schedule, with a balloon payment due at maturity.

New Market Tax Credit

During December 2015, the School became a participant to the New Market Tax Credit program (“NMTC”). The NMTC program encourages investment in real estate projects in low-income communities by allowing investors to receive tax credits against their federal income tax return in exchange for making qualified investments in Community Development Entities (“CDEs”). The CDE’s purpose is to make loans and investments in low-income communities to Qualified Active Low-Income Community Businesses (“QALICB”). The School qualified as a QALICB.

The CDE utilized qualified funding to loan \$23,800,000 to the School to finance renovations of the School and construction of a middle school. The NMTC program financing consists of four loans (“NMTC Loans”) each scheduled to mature December 2040. The NMTC Loans accrue interest at fixed rates ranging from 0.24% to 5.20% per annum, with an average weighted interest rate of 3.65% per annum. Interest only payments are due quarterly through May 2023, with interest and principal payments due quarterly thereafter until maturity. The NMTC Loans are collateralized by the assets of the School.

During December 2016, an additional CDE was formed to provide additional qualified funding of \$7,744,480 to the School under the NMTC program to finance improvements to the middle and elementary school and retire previous debts as described above. The retirements of previous debts resulted in a loss of \$195,319. The additional financing consists of three loans (“NMTC Loans 2”) of which \$1,872,111 is schedule to mature in December 2023, and the remainder are scheduled to mature December 2040.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE E – NOTES PAYABLE - continued

The NMTC Loans 2 accrue interest at fixed rates ranging from 5.00% to 5.48% per annum, with an average weighted interest rate of 5.20%. Interest only payments are due quarterly through May 2024, with interest and principle payments due quarterly thereafter until maturity. The NMTC loans 2 are collateralized by the assets of the School.

The aforementioned loan agreements contain certain restricted, financial, and nonfinancial covenants. In the opinion of management, the School has complied with the required covenants.

Long-term debt as of June 30, consisted of the following:

| | 2018 | 2017 |
|--|---------------|---------------|
| BOA Loan | \$ 3,713,366 | \$ 4,059,194 |
| First City Capital 41 LLC QLICI A | 7,145,015 | 7,145,015 |
| First City Capital 45 LLC QLICI A | 9,905,000 | 9,905,000 |
| First City Capital 41 LLC QLICI B | 2,654,985 | 2,654,985 |
| First City Capital 45 LLC QLICI B | 4,095,000 | 4,095,000 |
| CURE Loan A-1 | 3,180,205 | 3,180,205 |
| CURE Loan A-2 | 1,872,111 | 1,872,111 |
| CURE Loan B | 2,692,164 | 2,692,164 |
| | \$ 35,257,846 | \$ 35,603,674 |
| Less: current installments | (439,419) | (345,827) |
| Less: deferred financing costs, net of accumulated amortization | (817,395) | (973,218) |
| | \$ 34,001,032 | \$ 34,284,629 |

Deferred financing costs and accumulated amortization are as follows as of June 30:

| | 2018 | 2017 |
|-------------------------------|--------------|--------------|
| Deferred financing costs | \$ 1,230,680 | \$ 1,230,681 |
| Less accumulated amortization | (413,285) | (257,463) |
| | \$ 817,395 | \$ 973,218 |

Interest of \$1,600,695 and \$1,652,586 was expensed for the years ended June 30, 2018 and 2017, respectively.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE E – NOTES PAYABLE - continued

Aggregate annual maturities of the loans are as follows for the years ending June 30:

| | |
|------------|----------------------|
| 2019 | \$ 439,419 |
| 2020 | 467,683 |
| 2021 | 497,766 |
| 2022 | 529,783 |
| 2023 | 563,859 |
| Thereafter | <u>32,759,336</u> |
| Total | <u>\$ 35,257,846</u> |

NOTE F – LEASE COMMITMENTS

In August 2015, the School entered into a ground lease agreement with the District of Columbia to lease the property at Wahler Place for a period of 30 years beginning September 1, 2016. The annual base rent is \$777,000 for the first year and will be increased by two percent on each anniversary thereafter. Rent will be abated for twelve consecutive calendar months for each one million dollars of expense incurred for construction, capital alteration and leasehold acquisition costs. Since construction, capital alteration and leasehold acquisitions costs were higher than the rent expense for the lease term, there is no rent expense recognized for the life of the lease.

NOTE G – MANAGEMENT AGREEMENT

Effective July 1, 2016, the School entered into a management agreement with AppleTree Institute for Education Innovation (“AppleTree”). The agreement contracts AppleTree to fully manage and operate the early education program for pre-school and pre-kindergarten children under the School’s charter. Management of the early education program includes operating, marketing, and staffing the program. The initial term of the agreement is effective for five years, and scheduled to terminate June 30, 2021. If adequate yearly progress has been achieved per evaluations, the term of the agreement may be automatically extended for an additional five-year period, unless either party gives notice of at least 120 days prior to expiration.

The School is responsible for all costs associated with operating the early education program. The School is to compensate AppleTree a management fee equal to the per-pupil funding the School receives for its enrolled pre-K3 and pre-K4 student population and other fees received specific to the early education program, such as special education, English language learners, at-risk population, and summer school revenue received. Management fees incurred under the agreement for the year ended June 30, 2018 and 2017, totaled \$2,442,419 and \$2,104,603, respectively.

ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(continued)

NOTE H – COMMITMENTS AND CONTINGENT LIABILITIES

The School receives revenue from government grants and contracts that are subject to inspection and audit by the appropriate funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The school is of the opinion that disallowance, if any, arising from such audits will not have a material effect on the financial statements. The School has no provisions for the possible disallowance of program costs on its financial statements.

NOTE I – CONCENTRATION OF RISK

The School is supported primarily by local and federal appropriations and grants. For the years ended June 30, 2018 and 2017, 92% and 91%, respectively, of the total revenue was provided by one local government agency. Reduction of this source of support would have a significant impact on the School's programs and activities. Geographical area of clients served is Ward 8 of the District of Columbia.

As of June 30, 2018 and 2017, the School had cash that exceeded federally insured limits by approximately \$9,100,000 and \$7,200,000, respectively. Management has evaluated the financial institutions and does not believe it is exposed to any significant credit risk.

NOTE J – PENSION PLAN

The School sponsors a 401(K) Plan (the "Plan") for all employees who are at least 18 years of age. Eligible employees can become participants on the first day of the month following the completion of eligibility requirements. Employees may make elective deferral from their eligible earnings, up to the amount allowed by the Internal Revenue Service. The School matches the first three percent of a participant's compensation that is deferred as an elective deferral. For the years ended June 30, 2018 and 2017, pension expense totaled \$74,764 and \$44,584, respectively.

NOTE K - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 and 2017, totaled \$123,000 and \$123,000, respectively, and were designated for the purpose of transportation and scholarships for the students of the Septima Clark Public Charter School which closed in 2013.

NOTE L – SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 5, 2018, the date the School's financial statements were available to be issued. Management has determined that, except as noted above, there are no subsequent events that require disclosure pursuant to the subsequent event topic.

**REPORTS AND SCHEDULES REQUIRED
BY THE UNIFORM GUIDANCE**



**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed In Accordance
with *Government Auditing Standards***

The Board of Trustees
Achievement Preparatory Academy Public Charter School
Washington, DC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Achievement Preparatory Academy Public Charter School, (a nonprofit organization), (the "School"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jane Murrell & McQuade PA

Washington, DC
November 5, 2018



**Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control over Compliance
Required by the Uniform Guidance**

The Board of Trustees of
Achievement Preparatory Academy Public Charter School
Washington, DC

Report on Compliance for Each Major Federal Program

We have audited Achievement Preparatory Academy Public Charter School’s (the “School”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School’s major federal programs for the year ended June 30, 2018. The School’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the School’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School’s compliance.

Opinion on Each Major Federal Program

In our opinion, Achievement Preparatory Academy Public Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Jane Harrison & McQuade PA

Washington, DC
November 5, 2018

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Grant Identification Number | Federal Expenditures |
|--|--------------------------------|--|---------------------------------|
| U. S. Department of Education | | | |
| Pass Through from District of Columbia Office of the State Superintendent of Education (OSSE) | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 62010A, 72010A | \$ 467,911 |
| Improving Teacher Quality State Grants | 84.367 | 62367A, 72367A | 101,290 |
| Special Education - Grants to States | 84.027 | 72027A | 171,918 |
| DC School Choice Incentive Program | 84.370 | | 56,144 |
| Student Support and Academic Enrichment Program | 84.424 | | 16,397 |
| Special Education - Preschool Grants | 84.173 | | 14,333 |
| Education for Homeless Children and Youth | 84.196 | | 8,378 |
| Total U.S. Department of Education | | | <u>836,371</u> |
| U.S. Department of Agriculture - Food and Nutrition Service | | | |
| Pass Through from District of Columbia Office of the State Superintendent of Education (OSSE) | | | |
| Fresh Fruit and Vegetable Program | 10.582 | | 59,733 |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | | 174,565 |
| National School Lunch Program | 10.555 | | 328,265 |
| Child Nutrition Cluster | | | <u>502,830</u> |
| Total U.S. Department of Agriculture | | | <u>562,563</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u><u>\$ 1,398,934</u></u> |

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018 AND 2017**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the School under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Therefore some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein, certain types of expenses are not allowable or are limited as to reimbursement. The School elected not to use the 10 percent de minimus indirect cost rate. Pass through programs, agencies, and entity identifying numbers are presented where available.

NOTE C – RECONCILIATION TO THE FINANCIAL STATEMENTS

Expenditures per the Schedule exclude \$32,730 of federal funds provided under the Federal Communications Commission E-Rate program, which are reported as federal entitlements and grant revenue in the statement of activities. Funding under the E-Rate program is considered to be federal funds, however, does not qualify as direct financial support, and therefore, is exempt from Federal Audit requirements.

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018 AND 2017**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|---------------|
| Type of report issued on the financial statements | Unmodified |
| Internal control over financial reporting: | |
| Material weakness identified? | No |
| Significant deficiencies | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|---------------|
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Internal control over major programs: | |
| Material weakness identified? | No |
| Significant deficiencies identified that are not considered to be material weakness? | No |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None reported |

Major programs

| | |
|--|--|
| Name of Federal Program: | Title I Grants to Local Educational Agencies |
| CFDA Number: | 84.010 |
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

**ACHIEVEMENT PREPARATORY ACADEMY PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018 AND 2017
(continued)**

SECTION II – FINANCIAL STATEMENTS FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None

SECTION IV – SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None