

ACHIEVEMENT ACADEMY, INC.

**Financial Statements
and Supplementary
Information**

June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Partners

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Cori G. Cameron
Bob P. Marchewka
Ric Perez
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Thomas F. Regan
Ernie R. Janvrin
Paul F. Smyth
Darby M. Hauck

To the Board of Directors
Achievement Academy, Inc.
Lakeland, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Achievement Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 Academy, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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American Institute of
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Accountants

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Certified Public
Accountants

Prior Period Financial Statements

The financial statements of Achievement Academy, Inc. as of June 30, 2018, were audited by other auditors whose report dated October 8, 2018, expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2019, on our consideration of Achievement Academy, Inc.'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 solely 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 the effectiveness of Achievement Academy, Inc.'s 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 Academy, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates

Winter Park, Florida
September 19, 2019

Achievement Academy, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,679	\$ 209,926
Restricted cash	104,174	17,579
Due from other agencies	32,724	26,866
Pledges receivable	19,882	16,544
Prepaid expenses	39,171	42,395
Total current assets	271,630	313,310
Property and equipment, net	1,249,145	1,291,228
Investments	202,506	191,277
Land held for sale, net of impairment	500,000	500,000
Other assets	300	-
Total assets	\$ 2,223,581	\$ 2,295,815
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 185,710	\$ 173,660
Current portion of long-term debt	48,678	-
Total current liabilities	234,388	173,660
Long-term debt, less current portion	770,360	821,236
Total liabilities	1,004,748	994,896
NET ASSETS		
Without donor restrictions		
Undesignated	519,996	541,086
Board designated	-	72,817
Net investment in property and equipment	103,813	110,721
Total net assets without donor restrictions	623,809	724,624
With donor restrictions		
Unexpended grants	81,658	24,080
Contributions restricted by donor	191,798	198,503
Net investment in property and equipment	321,568	353,712
Total net assets with donor restrictions	595,024	576,295
Total net assets	1,218,833	1,300,919
Total liabilities and net assets	\$ 2,223,581	\$ 2,295,815

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

Achievement Academy, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Grants, government	\$ 2,552,820	\$ 81,658	\$ 2,634,478
Grants, private	211,000	-	211,000
United Way	256,461	-	256,461
Contributions in kind	4,353	-	4,353
Contributions	91,186	-	91,186
Special events	173,296	-	173,296
Program service fees	105,361	-	105,361
Net investment income	11,966	-	11,966
Other income	57,319	-	57,319
Net assets released from restrictions:			
Satisfaction of program restrictions	62,929	(62,929)	-
Total support, revenue and net assets released from restrictions	3,526,691	18,729	3,545,420
PROGRAM SERVICES			
Charter school	2,970,614	-	2,970,614
Birth to three	355,524	-	355,524
Total program services	3,326,138	-	3,326,138
SUPPORTING ACTIVITIES			
Management and general	115,936	-	115,936
Fund raising	185,432	-	185,432
Total supporting activities	301,368	-	301,368
Total expenses	3,627,506	-	3,627,506
CHANGE IN NET ASSETS	(100,815)	18,729	(82,086)
NET ASSETS, BEGINNING OF YEAR	724,624	576,295	1,300,919
NET ASSETS, END OF YEAR	\$ 623,809	\$ 595,024	\$ 1,218,833

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

Achievement Academy, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Grants, government	\$ 2,500,944	\$ 24,080	\$ 2,525,024
Grants, private	381,500	-	381,500
United Way	248,923	-	248,923
Contributions in kind	4,848	-	4,848
Contributions	52,314	36,529	88,843
Special events	151,104	-	151,104
Program service fees	112,766	-	112,766
Net investment income	12,680	-	12,680
Other income	56,272	-	56,272
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total support, revenue and net assets released from restrictions	3,521,351	60,609	3,581,960
PROGRAM SERVICES			
Charter school	2,807,393	-	2,807,393
Birth to three	365,788	-	365,788
Total program services	3,173,181	-	3,173,181
SUPPORTING ACTIVITIES			
Management and general	105,320	-	105,320
Fund raising	215,192	-	215,192
Total supporting activities	320,512	-	320,512
Total expenses	3,493,693	-	3,493,693
CHANGE IN NET ASSETS	27,658	60,609	88,267
NET ASSETS, BEGINNING OF YEAR	696,966	515,686	1,212,652
NET ASSETS, END OF YEAR	\$ 724,624	\$ 576,295	\$ 1,300,919

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

Achievement Academy, Inc.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATIONS		
Change in net assets	\$ (82,086)	\$ 88,267
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	78,774	81,220
Noncash interest expense	835	-
Loss on disposal of assets	-	932
Net change in assets and liabilities:		
Due from other agencies	(5,858)	(12,094)
Pledges receivable	(3,338)	(1,249)
Prepaid expenses	3,224	372
Other assets	(300)	(5,561)
Accounts payable and accrued expenses	12,050	(6,385)
	<u>3,301</u>	<u>145,502</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(36,691)	(24,050)
Net realized and unrealized gain on investments	(11,229)	(12,333)
	<u>(47,920)</u>	<u>(36,383)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on line of credit	50,000	-
Payments on line of credit	(50,000)	-
Principal payments on long-term borrowing	(3,033)	(50,684)
	<u>(3,033)</u>	<u>(50,684)</u>
Net increase (decrease) in cash and cash equivalents	(47,652)	58,435
Cash, cash equivalents and restricted cash beginning of year	<u>227,505</u>	<u>169,070</u>
Cash, cash equivalents and restricted cash end of year	<u>\$ 179,853</u>	<u>\$ 227,505</u>
SUPPLEMENTAL DISCLOSURE		
Contributed materials, equipment and services	<u>\$ 4,353</u>	<u>\$ 4,848</u>
Interest paid	<u>\$ 40,870</u>	<u>\$ 35,797</u>

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

Achievement Academy, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services		Supporting Activities		Total
	Charter School	Birth to Three	Management and General	Fund Raising	
Leased employee salaries	\$ 1,957,250	\$ 218,025	\$ 58,454	\$ 84,339	\$ 2,318,068
Leased employee benefits	292,386	31,452	10,301	20,213	354,352
Leased employee payroll taxes	138,462	15,040	4,872	12,492	170,866
Professional fees	135,781	6,389	4,662	2,621	149,453
Supplies	86,455	11,989	2,060	2,457	102,961
Telephone	7,041	4,349	2,139	3,430	16,959
Postage	847	338	242	1,320	2,747
Occupancy	116,840	23,608	21,578	19,216	181,242
Equipment rental and maintenance	14,855	2,520	-	418	17,793
Printing and publications	5,290	1,672	1,277	4,485	12,724
Travel	28,837	12,507	1,370	2,961	45,675
Conferences and meetings	2,404	994	750	2,742	6,890
Membership dues and continuing education	4,072	712	-	944	5,728
Miscellaneous	6,916	8,454	354	1,596	17,320
Administrative fees	50,137	-	-	-	50,137
Advertising	422	784	-	531	1,737
Insurance	22,294	5,249	-	-	27,543
Special events expense	-	-	-	25,667	25,667
Interest	36,783	4,087	-	-	40,870
Depreciation	63,542	7,355	7,877	-	78,774
Total functional expenses	\$ 2,970,614	\$ 355,524	\$ 115,936	\$ 185,432	\$ 3,627,506

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

Achievement Academy, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

	Program Services		Supporting Activities		Total
	Charter School	Birth to Three	Management and General	Fund Raising	
Leased employee salaries	\$ 1,848,126	\$ 224,114	\$ 44,499	\$ 85,131	\$ 2,201,870
Leased employee benefits	307,957	41,453	7,403	28,082	384,895
Leased employee payroll taxes	128,741	17,372	3,094	12,609	161,816
Professional fees	83,710	6,846	4,703	1,579	96,838
Supplies	58,149	9,508	2,127	1,956	71,740
Telephone	6,260	4,000	1,913	2,399	14,572
Postage	791	311	230	960	2,292
Occupancy	141,129	22,126	29,060	24,091	216,406
Equipment rental and maintenance	15,338	2,177	-	338	17,853
Printing and publications	4,864	2,084	1,411	3,311	11,670
Travel	30,962	12,436	1,256	2,458	47,112
Conferences and meetings	4,184	823	1,222	945	7,174
Membership dues and continuing education	4,271	590	-	984	5,845
Miscellaneous	5,962	7,049	236	2,094	15,341
Administrative fees	49,100	-	-	-	49,100
Advertising	951	681	-	-	1,632
Insurance	18,031	4,234	-	-	22,265
Special events expense	-	-	-	48,255	48,255
Interest	32,217	3,580	-	-	35,797
Depreciation	66,650	6,404	8,166	-	81,220
	<u>\$ 2,807,393</u>	<u>\$ 365,788</u>	<u>\$ 105,320</u>	<u>\$ 215,192</u>	<u>\$ 3,493,693</u>
Total functional expenses	<u>\$ 2,807,393</u>	<u>\$ 365,788</u>	<u>\$ 105,320</u>	<u>\$ 215,192</u>	<u>\$ 3,493,693</u>

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

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 1 – ORGANIZATION, SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Achievement Academy, Inc. (the “Academy”), formerly known as Child Development Center of Polk County, Inc., was organized to maintain and operate programs for the education, evaluation, and social and physical advancement of children (birth through six years of age) with developmental delays/disabilities and to conduct ongoing programs to educate the general public.

The Academy opened a charter school in 1997 which operates under a charter approval by its sponsor, the School Board of Polk County, Florida (the “School Board”). The governing body of the charter school is the not-for-profit corporation Board of Directors which is composed of 18 members. The Executive Director of Achievement Academy, Inc. is the executive officer of the charter school. The Academy is reaccredited by AdvancED through June of 2023.

The Academy is funded through a variety of sources, including United Way, Florida Department of Education (through the School Board), program fees, contributions and various fund raising events.

2. Basis of presentation

The financial statement presentation follows the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) guidance for non-profit organizations. The Academy is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

3. Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Support and revenue are recognized when earned or unconditionally received, and expenses are recognized when incurred. Changes in the net assets of the Academy as a result of support, revenue, expenses, gains and losses are classified based on the existence of any donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

See Note 9 for more information on the composition of net assets without donor restrictions.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 1 – ORGANIZATION, SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Basis of accounting (continued)

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Academy reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Academy to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

See Note 10 for more information on the composition of net assets with donor restrictions.

4. Cash, cash equivalents and restricted cash

Cash and cash equivalents include cash on hand; cash in banks and certificates of deposit with original maturities of three months or less when purchased. The carrying amount reported in the statements of financial position for cash and cash equivalents approximates its fair value.

For the years ended June 30, 2019 and 2018, the Academy had restricted cash of \$104,174 and \$17,579, respectively, which includes amounts that have been received but not yet expended for which there are donor-imposed restrictions.

Interest received totaled approximately \$2,500 and \$2,900 for the years ended June 30, 2019 and 2018, respectively.

5. Investments

Investments consist of certificates of deposit with maturities greater than three months when purchased, as well as certain investments held and managed for the benefit of the Academy by a private foundation.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 1 – ORGANIZATION, SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Property and equipment

Property and equipment are recorded at cost or at their estimated fair value at the date of donation. Items costing \$500 or more are capitalized in the statements of financial position, whereas all other items are expensed. Depreciation is provided using the straight-line method over the following useful lives:

	Years
Buildings and improvements	10-40
Furniture, fixtures, and equipment	3-10
Playground equipment	5-20
Vehicles	5

Maintenance and repairs are charged to expense when incurred.

The Academy is subject to accounting guidance related to the impairment or disposal of long-lived assets. This guidance requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and when the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. See Note 6 for impairment of land held for sale.

7. Debt issuance costs

Debt issuance costs relating to the mortgage notes payable are capitalized and being amortized using the straight-line method over a period of 11 years. Amortization expense for the years ended June 30, 2019 and 2018 was \$835 and \$434, respectively. Estimated annual amortization expense for each of the years through 2029 is \$835.

8. Revenue and expense recognition

Revenues and expenses are recognized on the accrual basis. Contributions subject to donor-imposed restrictions are recorded as with donor restrictions and are reclassified as without donor restrictions when the donor-imposed restrictions has been fulfilled or the stipulation of time period has elapsed. Contributions with restrictions that are met during the fiscal year are recorded as net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. All expenses are reported as decreases in net assets without donor restrictions. Expiration of donor restrictions on net assets, that is, the expiration of the donor-imposed stipulation purpose or the elapsing of the specified time period, are reported as net assets released from restrictions.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 1 – ORGANIZATION, SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Revenue and expense recognition (continued)

Revenues consist primarily of governmental grants, private grants, United Way, program service fees and contributions. Expenses consist of the cost of providing the various programs of the Academy and operating expenses.

9. Concentration of revenue sources

Approximately 74% of the Academy's revenue is derived from grants from the federal government passed through the State of Florida Department of Education (which is renewed annually) and state and local funds passed through the School Board (which is renewable every ten years). The current level of the Academy's operations and program services may be impacted or certain services discontinued if the funding is not renewed.

10. Due from other agencies

Due from other agencies represent amounts due from the School Board, Medicaid and private insurance. Management has determined that the amounts are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary as of June 30, 2019 and 2018.

11. Pledges receivable

Pledges receivable represent amounts due from the United Way.

12. Credit risk

The carrying amounts approximate fair value based on quoted market prices or discounted cash flow analyses for cash equivalents and other financial instruments. The Academy is subject to some credit risk through short-term cash investments which are placed with high credit quality financial institutions. The Academy did not have amounts in excess of federally insured limits as of June 30, 2019 and 2018.

13. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 1 – ORGANIZATION, SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Income taxes

The Academy qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The Academy's income tax returns for 2017, 2016, and 2015 are subject to examination by tax authorities, and may change upon examination.

15. Accounting pronouncements adopted

In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The new guidance was effective beginning in 2018 and the Academy changed its presentation of net assets classes, and expanded the footnote disclosures in these financial statements as required by ASU 2016-14.

16. Recent accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when contract performance obligations are met. The standard is effective for fiscal years beginning after December 15, 2018. The Academy is currently evaluating the impact of adopting the new revenue standard on its financial statements.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 1 – ORGANIZATION, SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

16. Recent accounting pronouncements (continued)

In February 2016, the FASB issued ASU 2016-02, Leases, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Academy is evaluating the potential effects ASU 2016-02 will have on its financial statements.

17. Comparative information

The Academy has reclassified certain amounts from its prior year financial statements to confirm to current year presentation.

NOTE 2 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 2 – FAIR VALUE MEASUREMENTS (continued)

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The Academy's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

Estimated fair value of certain assets measured on a recurring basis at June 30, 2019 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 202,506	\$ -	\$ -	\$ 202,506
Total	<u>\$ 202,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,506</u>

Estimated fair value of certain assets measured on a recurring basis at June 30, 2018 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 191,277	\$ -	\$ -	\$ 191,277
Total	<u>\$ 191,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,277</u>

The Academy has various investments that are held in the Community Foundation. Investments are reported at fair market value, are held for trading purposes only, and consist of the following:

	<u>2019</u>	<u>2018</u>
Givewell Community Foundation Common Fund	\$ 202,506	\$ 191,277
Total	<u>\$ 202,506</u>	<u>\$ 191,277</u>

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 3 – DUE FROM OTHER AGENCIES

Due from other agencies includes the following at June 30:

	<u>2019</u>	<u>2018</u>
Capital outlay	\$ 15,093	\$ 6,501
Medicaid	8,818	12,503
Interest	41	41
Other receivables	<u>8,772</u>	<u>7,821</u>
Total	<u>\$ 32,724</u>	<u>\$ 26,866</u>

The capital outlay receivables included in the accompanying financial statements is reflected as temporarily restricted net assets since it must be spent for lawful capital outlay expenditures.

Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary as of June 30, 2019 and 2018.

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable from United Way as of June 30, 2019 and 2018, respectively.

	<u>2019</u>	<u>2018</u>
Less than one year	<u>\$ 19,882</u>	<u>\$ 16,544</u>
Total	<u>\$ 19,882</u>	<u>\$ 16,544</u>

For the years ended June 30, 2019 and 2018, management has deemed an allowance or discounts are not required since the pledges are due and collectible within one year.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 5 – PROPERTY AND EQUIPMENT

	<u>2019</u>	<u>2018</u>
Land	\$ 180,620	\$ 180,620
Buildings and improvements	2,057,290	2,045,241
Furniture, fixtures and equipment	452,307	443,939
Playground equipment	57,142	49,389
Vehicles	3,000	3,000
Construction in progress	2,350	2,350
	<u>2,752,709</u>	<u>2,724,539</u>
Less accumulated depreciation	<u>(1,503,564)</u>	<u>(1,433,311)</u>
Total	<u>\$ 1,249,145</u>	<u>\$ 1,291,228</u>

Depreciation expense totaled \$78,774 and \$81,220 for the years ended June 30, 2019 and 2018, respectively.

NOTE 6 – LAND HELD FOR SALE

During fiscal year 2012, the Board approved the sale of land originally held for the construction of a new charter school facility. Management and the Board determined not to proceed with the new facility and placed the land for sale. The cost of the land and site improvements totaled \$1,554,094.

Since the purchase of the land and completion of the site improvements, the Academy has determined the fair value is less than the carrying value of the assets. The fair value of the asset was determined based on an appraisal which was conducted in 2009, which valued the land at \$650,000. Subsequent to the appraisal, comparative land values have continued to decrease. The Academy has not conducted subsequent appraisals. However, based on opinions of experienced real estate professionals working in that area, the fair value was estimated based on comparative land values in the area.

The Academy has contracted with land real estate consultants to conduct the sale of the land, which have estimated the sales price of the land of approximately \$400,000 to \$700,000, with an eventual sales price of approximately \$800,000.

For the year ended June 30, 2012, the Academy recorded impairments on the land to adjust the book value of the land and site improvements to \$500,000. As a result of the impairment, the Academy recognized an impairment expense of \$1,054,094 for the year ended June 30, 2012. The Academy did not recognize an additional impairment on assets for the years ended June 30, 2019 or 2018. The land is reported on the accompanying statements of financial position as land held for the sale, net of impairment as of June 30, 2019 and 2018.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 7 – LONG-TERM DEBT

Long-term debt is summarized as follows:

	2019	2018				
<p>The Academy had a 4.25% mortgage note payable to a bank, Interest only until March 2014 then converted to 53 monthly payments of principal and interest of \$4,859 based on a 15-year amortization and a balloon payment of \$496,554, secured by vacant land. During June 2018, the Academy refinanced the note payable. Terms of the loan is interest only payments through June 2019 with fixed interest of 4.95%. Effective July 2019, principal and interest payments of \$4,629 are due monthly until the note matures in June 2023. The note requires a balloon payment of approximately \$406,000 at the maturity date.</p>	\$ 529,452	\$ 529,452				
<p>The Academy had a 4.25% mortgage note payable to a bank, 60 months, 59 monthly payments of principal and interest of \$2,268, based on a 15-year amortization and a balloon payment of \$223,063. Secured by Bartow School real estate. During June 2018, the Academy refinanced the note payable. Terms of the loan is interest only payments through June 2019 with fixed interest of 4.95%. Effective July 2019, principal and interest payments of \$2,253 are due monthly until the note matures in June 2029.</p>	228,077	228,077				
<p>Note payable to a bank, with monthly principal and interest payments of \$475 through January 2020 with 4.25% interest per annum. Effective February 2020, monthly principal and interest payments of \$502 with interest calculated based on the weekly average yield on United States Treasury securities plus a margin of 3.00%. A balloon payment \$47,954 due February 2025.</p>	<table style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: right;">66,235</td></tr> <tr><td style="text-align: right; border-top: 1px solid black;">823,764</td></tr> </table>	66,235	823,764	<table style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: right;">69,268</td></tr> <tr><td style="text-align: right; border-top: 1px solid black;">826,797</td></tr> </table>	69,268	826,797
66,235						
823,764						
69,268						
826,797						
<p>Less current portion</p>	(48,678)	-				
<p>Total long-term liabilities</p>	\$ 775,086	\$ 826,797				

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 7 – LONG-TERM DEBT (continued)

Future maturities of notes payable at June 30, 2019 are as follows:

2020	\$	48,678
2021		51,242
2022		53,834
2023		458,052
2024		23,182
Thereafter		<u>188,776</u>
		823,764
Unamortized debt issuance costs (See Note 1-7)		<u>(4,726)</u>
Total		<u>\$ 819,038</u>

Interest expense totaled \$40,870 and \$35,797 for the years ended June 30, 2019 and 2018, respectively.

NOTE 8 – CREDIT OBLIGATIONS

In January 2018, the Academy entered into a \$200,000 revolving line of credit in which principal is due upon demand. The Academy is required to make monthly interest payments, which is calculated based on the Wall Street Journal Prime Rate (5.50% as of June 2019). As of June 30, 2019 and 2018, there was no outstanding balance.

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are comprised of undesignated, Board designated and net investment in property and equipment amounts for the following purposes or periods as of June 30:

	2019	2018
Undesignated	\$ 519,996	\$ 541,086
Board designated	-	72,817
Net investment in property and equipment	<u>103,813</u>	<u>110,721</u>
	<u>\$ 623,809</u>	<u>\$ 724,624</u>

Undesignated

Net assets without donor restrictions are considered as undesignated and used at the discretion of the Board and/or management for general operating purposes. Expenditures from the years ended June 30, 2019 and 2018 are included in the statements of functional expenses.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

Board Designated

The Board has designated certain cash and cash equivalents as designated funds for future use of the Academy. During 2019, the Board approved moving \$72,817, which had been held as reserves, from Board designated to unrestricted.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	2019	2018
Unexpended grants:		
Capital outlay funds restricted for specific purpose	\$ 81,658	\$ 24,080
Contributions by donor:		
Contributions restricted by donor for specific purpose	171,916	181,959
Pledges restricted for 2019 fiscal year	19,882	-
Pledges restricted for 2018 fiscal year	-	16,544
Total	191,798	198,503
Net investment in property and equipment (net of amounts borrowed of \$823,764 and \$826,797 as of June 30, 2019 and 2018, respectively) – use restricted by charter school grant.	321,568	353,712
	\$ 595,024	\$ 576,295

NOTE 11 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The following net assets were released from restrictions as of June 30:

	2019	2018
Purpose restrictions accomplished:		
Capital outlay funds restricted for specific purpose	\$ 24,080	\$ -
Contributions restricted by donor for specific purpose	22,305	-
Time restrictions met:		
Pledges restricted for 2018 fiscal year	16,544	-
Net assets released from restrictions	\$ 62,929	\$ -

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 12 – CONTRIBUTED MATERIALS, EQUIPMENT AND SERVICES

Contributed materials and equipment, if any, are recorded in the accompanying financial statements at their fair value at the date of receipt. The Academy received \$4,353 and \$4,346 in donated property and equipment for the years ended June 30, 2019 and 2018, respectively.

A number of other volunteers have donated significant amounts of their time to the Academy's administrative services and in its fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services are not professional in nature, and, as such, do not meet the criteria for recognition as contributed services.

NOTE 13 – GOVERNMENT GRANTS

The Academy has a contract with the School Board to operate a charter school for a maximum student population of 200. The current charter is effective until June 30, 2022, and may be renewed for up to 10 years by mutual agreement between the charter school and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the charter school in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

Revenues for current operations are received primarily from the District School Board of Polk County, Florida pursuant to the funding provisions included in the charter. As such, the charter school's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the Florida Department of Education ("FDOE") by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the charter school reports the number of full-time equivalent students and related data to the School Board.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of Full Time Equivalent ("FTE") students and related data to the FDOE for funding through the Florida Education Finance Program ("FEFP"). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under FEFP and the actual weighted full-time equivalent students reported by the charter school during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the charter school's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reduction or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. The charter school reported, on average, an enrollment of 157 unweighted full-time students for the fiscal years ended June 30, 2019 and June 30, 2018, respectively.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 13 – GOVERNMENT GRANTS (continued)

The charter school receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes and amounts received are based on the charter school’s enrollment during the fiscal year. Funds received under this program are restricted to capital outlay expenditures, as detailed in the Florida statutes. Since a claim to the grant proceeds is based upon incurring eligible expenditures, revenue is classified as with donor restrictions and once eligible expenditures have been made, the revenue is reclassified to revenue without donor restrictions and is reported in the statements of activities as “net assets released from restrictions.”

The charter school also receives federal awards for the enhancement of various education programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. Since a claim to the grant proceeds is based upon incurring eligible expenditures, revenue is classified as with donor restrictions and once eligible expenditures have been made, the revenue is reclassified to revenue without donor restrictions and is reported in the statements of activities as “net assets released from restrictions.”

Under the terms of the charter, any property and equipment purchased with School Board funds must be returned to the School Board if the contract for the charter school is terminated.

The summary of funds earned during the years ended June 30, 2019 and 2018 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2019 School Board	\$ 2,552,820	\$ 81,658	\$ 2,634,478
2018 School Board	\$ 2,500,944	\$ 24,080	\$ 2,525,024

The Academy is reimbursed for providing services to Medicaid eligible individuals. Medicaid reimbursements, included as program service fees, earned during the years ended June 30, 2019 and 2018, respectively, are as follows:

	<u>2019</u>	<u>2018</u>
Medicaid reimbursements	<u>\$ 91,471</u>	<u>\$ 99,752</u>

NOTE 14 – FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include leased employee salaries, benefits, and payroll taxes, occupancy, depreciation, and professional fees which are allocated on the basis of estimates of time and percentage of assets utilized.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 15 – PENSION PLAN AND COMPENSATED ABSENCES

The Academy adopted a SIMPLE IRA retirement program during 1997. All employees with over six months of service are eligible to participate in the program. Total contributions to the plan by the Academy for the years ended June 30, 2019 and 2018, was approximately \$43,000, which represented a contribution rate of 3% on wages paid to each participating employee or 100% match of employee contributions (whichever is lower). The Academy has no liability for the administration or payment of benefits of the plan and, accordingly, the present value of the related vested benefits is not reflected in these financial statements.

The Academy's liability for compensated absences was not significant and has not been recorded in these financial statements since it was not considered material to the financial statements taken as a whole.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

The Academy has an agreement with the City of Lakeland to lease the land on which the Academy's building is located. The lease agreement was entered into in 1967 and is for a term of 99 years. There is no annual lease payment. The fair value of the lease has not been recognized as a contribution or reflected as an expense of operations since an objective basis for measuring the value of such lease cannot be determined.

NOTE 17 – SUBSEQUENT EVENTS

The Academy has adopted guidance that requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date (that is, whether that date represents the date the financial statements were issued or were available to be issued). The Academy has evaluated subsequent events through September 19, 2019, which is the date the financial statements were available to be issued.

Achievement Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE 18 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Academy's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 75,679	\$ 209,926
Restricted cash	104,174	17,579
Due from other agencies	32,724	26,866
Investments	202,506	191,277
Pledges receivable	<u>19,882</u>	<u>16,544</u>
Total financial assets available within one year	<u>\$ 434,965</u>	<u>\$ 462,192</u>

As part of the Academy's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Academy has a committed line of credit of \$200,000, which it could draw upon.

A portion of cash and cash equivalents, restricted cash, and investments are set aside per donor restrictions. The total amount restricted is \$273,456.

Pledges receivable include amounts expected to be received within one year and will become available for use within one year.

Prepaid, property and equipment, land held for sale and other asset amounts are amounts not available for spending amounts.

The investment amount listed above represents assets, which could be converted to cash on a short-term basis and thus are available to support cash flow needs and operations. The Academy has no immediate plans to liquidate investments beyond what is needed for current operations based on the respective spending policy and operating budget approved by the Board of Directors.

SUPPLEMENTAL INFORMATION



**INDEPENDENT AUDITORS' 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**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
James R. Dexter
Thomas F. Regan
Ernie R. Janvrin
Paul F. Smyth
Darby M. Hauck

To the Board of Directors
Achievement Academy, Inc.

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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Achievement Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, 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 September 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Achievement Academy, Inc.'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 Achievement Academy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Achievement Academy, Inc.'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 Achievement Academy, Inc.'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*.

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**American Institute of
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Accountants**

**Florida Institute of
Certified Public
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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 Achievement Academy, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Achievement Academy, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates

Winter Park, Florida
September 19, 2019



Partners

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MANAGEMENT LETTER

To the Board of Directors, Florida
Achievement Academy, Inc.

Report on the Financial Statements

We have audited the financial statements of Achievement Academy, Inc., Florida, as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 19, 2019.

Auditors' Responsibility

We conducted our audit 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 Chapter 10.850, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 19, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no significant findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity be disclosed in this management letter. The official title of the entity is Achievement Academy Charter, Inc.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Achievement Academy, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Achievement Academy, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Achievement Academy, Inc. It is management's responsibility to monitor Achievement Academy, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Achievement Academy, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Achievement Academy, Inc. maintained on its Web site the information specified in section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Achievement Academy, Inc.'s management, the Board of Directors, applicable management, and the School Board of Polk County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Krusick & Associates

Winter Park, Florida
September 19, 2019

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

For the year ended June 30, 2019, there are no management recommendations.