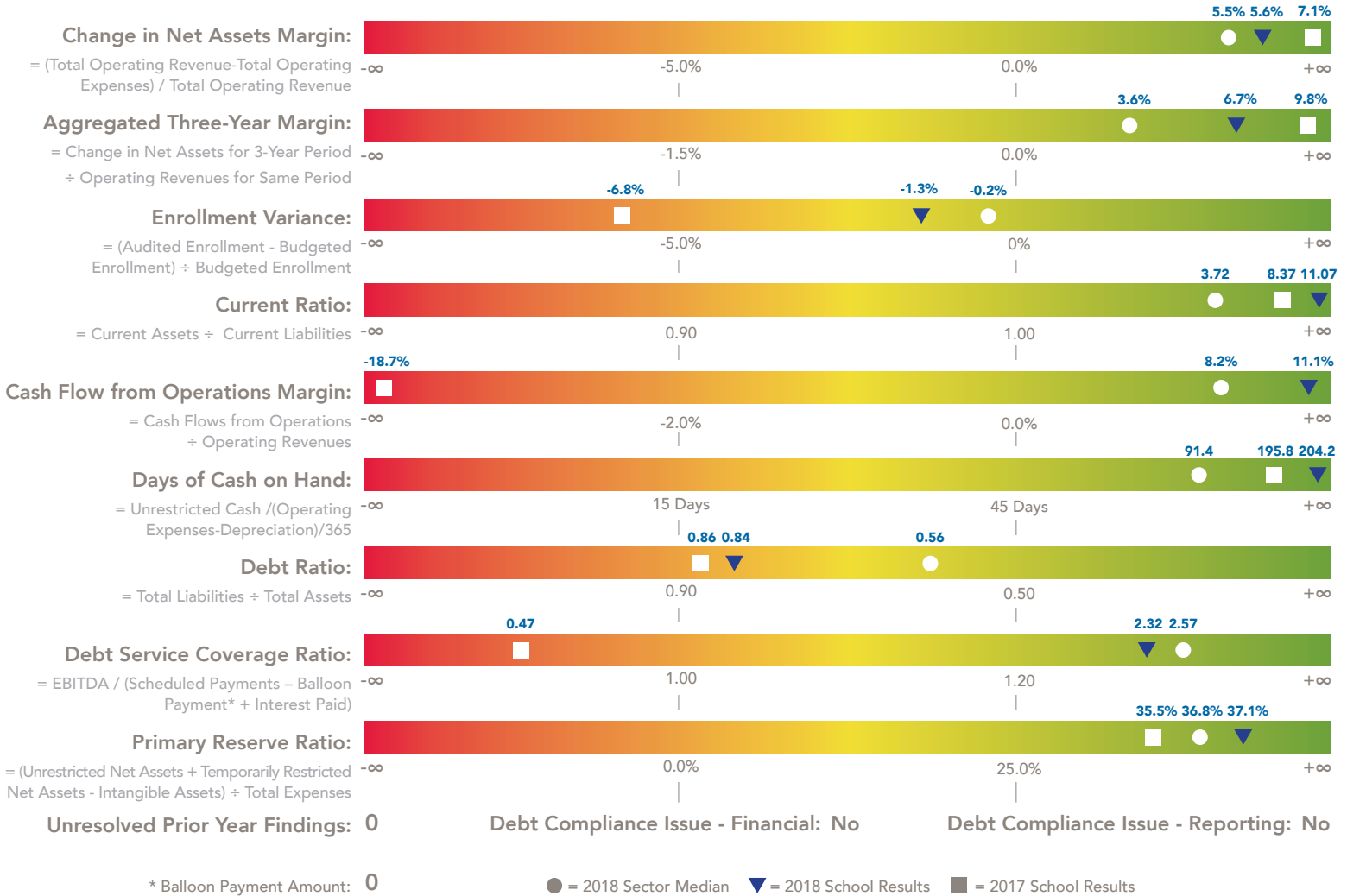


Opened:
2008 - 2009

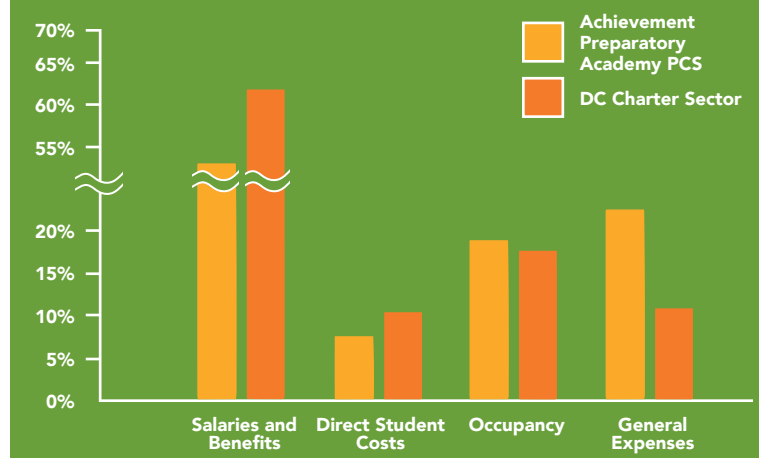
Audited Enrollment:
962

KEY FINANCIAL INDICATORS



Comments from the School

PCS EXPENSES BY CATEGORY



ACHIEVEMENT PREPARATORY ACADEMY PCS

FY2018 Financial Analysis Report

FINANCIAL POSITION

	2018	2017
Total Assets	\$41,800,510	\$41,112,730
Current Assets	\$10,606,520	\$9,108,211
Total Liabilities	\$34,958,789	\$35,373,419
Current Liabilities	\$957,757	\$1,088,790
Net Asset Position	\$6,841,721	\$5,739,311

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$19,521,917	\$17,395,316
Expenses	\$18,419,507	\$16,164,385
Non-operating Revenues (Expenses)	\$0	-\$195,319
Surplus (Deficit)	\$1,102,410	\$1,035,612

AUDIT FINDINGS

	2018	2017
Qualified/Modified/Adverse Opinion on the Financial Statements	No	No
Material Weakness in Internal Control over Financial Reporting (GAS)	No	No
Non-compliance Material to the Financial Statements (GAS)	No	No
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	No	No
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	No	No
Findings and Questioned Costs	0	0
Going-Concern Issue	No	No

REVENUES/EXPENSES PER STUDENT

	2018	2017	2018 Sector Median
DC Funding per Student	\$18,600	\$16,951	\$19,243
Grants and Contributions Per Student	\$122	\$240	\$492
Total Revenues per Student	\$20,293	\$18,665	\$22,382
Expenses per Student	\$19,147	\$17,344	\$21,375

PCSB OBSERVATIONS

Achievement Prep's enrollment grew by 30 students in 2018 and total revenues increased commensurately, as such, the school's financial position is healthy. For the year, the school's operations margin was positive at 5.7% , indicating that the organization is able to manage cost appropriately.

The school has strong liquidity metrics, with a current ratio of 11.1 and 204 days of cash on hand. A current ratio above 1.0 is strong, indicating that for every liability coming due in the current year, there is an asset of equal or greater value converting to cash to meet the obligation. Additionally, the high level of cash on hand indicating that the school has ample cash on hand to meet its operating expenses in the event of unexpected delays in cash receipts.

During May 2015, the school secured loans to finance construction and renovation of the its facility and payment of facility rent, totaling \$33.1M. Further, in December 2015 and December 2016, the school became a participant in the New Market Tax Credits (NMTC) program, where the school was also able to use \$23.8M and \$7.7M, respectively, in NMTC qualified funding. The total principal outstanding as of June 30, 2018 was \$35.3M. In August 2015, the school entered into a ground lease agreement with the District of Columbia to lease the property at Wahler Place for 30 years beginning August 1, 2015. Rent will be abated for 12 consecutive calendar months for each \$1M 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 for the life of the lease.

School Name	FY18 Revenues	FY18 Operating Result
Achievement Preparatory Academy PCS	\$19,521,917	\$1,102,410
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
AppleTree Institute for Education Innovation	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Jack McCarthy	President/CEO	\$225,848
Services Provided	FY18 Payment	% of School Revenue
Pre-k school operations		
Total		

DC PCSB Comments

Effective July 1, 2016, the school entered into a management agreement with AppleTree Institute for Education Innovation (AppleTree). AppleTree fully manages and operates the educational program for PK3 and PK4. As a management fee for these services, AppleTree receives an amount equal to the per-pupil funding the school receives for its enrolled PK3 and PK4 students, excluding the facilities allotment and less any administrative fees. Management fees incurred for 2018 were \$2.4M.

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

School Comments