

Academics Plus Charter School

Pulaski County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2023



ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2023

Independent Auditor's Report
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*
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis	C
Notes to the Financial Statements	

SCHEDULES

	<u>Schedule</u>
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years – Regulatory Basis (Unaudited)	5

Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

INDEPENDENT AUDITOR'S REPORT

Academics Plus Charter School and School Board Members
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Academics Plus Charter School (the "Charter School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's regulatory basis financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the Charter School as of June 30, 2023, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Charter School as of June 30, 2023, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Charter School on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arkansas. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements of the State of Arkansas. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Charter School's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 regulatory basis 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 regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis but does not include the regulatory basis financial statements, supplementary information, and our auditor's report thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the regulatory basis financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024 on our consideration of the 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 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 the Charter School'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 the Charter School's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script, appearing to read "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
February 14, 2024
EDCS00123

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

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

INDEPENDENT AUDITOR'S REPORT

Academics Plus Charter School and School Board Members
Legislative Joint Auditing Committee

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 each major governmental fund and the aggregate remaining fund information of the Academics Plus Charter School (the "Charter School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's regulatory basis financial statements, and have issued our report thereon dated February 14, 2024. We issued an adverse opinion because the Charter School's prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the Charter School as of June 30, 2023, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter 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 Charter School's regulatory basis 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Matt Fink". The signature is written in a cursive, slightly slanted style.

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2024

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Academics Plus Charter School and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Academics Plus Charter School's (the "Charter School") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal programs for the year ended June 30, 2023. The Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Charter School complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

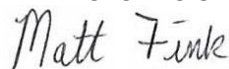
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

ARKANSAS LEGISLATIVE AUDIT



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2024

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2023

Exhibit A

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash		\$ 14,221	\$ 2,792,259	\$ 8,575
Investments	\$ 2,022,872			
Accounts receivable	3,693	194,394	100,213	
Due from other funds			55,093	
Deposit with paying agent	370,000			
TOTAL ASSETS	\$ 2,396,565	\$ 208,615	\$ 2,947,565	\$ 8,575
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 39,512	\$ 174		
Due student groups				\$ 8,575
Due to other funds	55,093			
Total Liabilities	94,605	174		8,575
Fund Balances:				
Restricted	360,470	208,441		
Assigned	179,282		\$ 2,947,565	
Unassigned	1,762,208			
Total Fund Balances	2,301,960	208,441	2,947,565	
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,396,565	\$ 208,615	\$ 2,947,565	\$ 8,575

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

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
State assistance	\$ 14,249,874	\$ 4,948	\$ 1,005,636
Federal assistance		1,776,865	
Activity revenues	242,294		
Meal sales		422,455	
Investment income	59,351		
Other revenues	642,304	90	30,755
TOTAL REVENUES	15,193,823	2,204,358	1,036,391
EXPENDITURES			
Regular programs	5,827,212	251,056	
Special education	140,919	145,351	
Compensatory education programs	86,543	90,879	
Other instructional programs	281,088		
Student support services	424,620	445,576	
Instructional staff support services	1,133,182	282,567	
General administration support services	451,637		
School administration support services	1,105,457	149	
Central services support services	514,558		
Operation and maintenance of plant services	5,157,353	9,832	987,976
Student transportation services	125,248	130,870	
Other support services	36		
Food services operations	1,427	738,051	
Non-programmed costs		20,577	
Activity expenditures	214,272		
TOTAL EXPENDITURES	15,463,552	2,114,908	987,976
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(269,729)	89,450	48,415
OTHER FINANCING SOURCES (USES)			
Transfers in			594,516
Transfers out	(594,516)		
TOTAL OTHER FINANCING SOURCES (USES)	(594,516)		594,516
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(864,245)	89,450	642,931
FUND BALANCES - JULY 1	3,166,205	118,991	2,304,634
FUND BALANCES - JUNE 30	\$ 2,301,960	\$ 208,441	\$ 2,947,565

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

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS

Exhibit C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State assistance	\$ 14,363,637	\$ 14,249,874	\$ (113,763)	\$ 5,000	\$ 4,948	\$ (52)
Federal assistance				2,467,144	1,776,865	(690,279)
Activity revenues		242,294	242,294			
Meal sales				309,200	422,455	113,255
Investment income	19,273	59,351	40,078			
Other revenues	621,219	642,304	21,085		90	90
TOTAL REVENUES	15,004,129	15,193,823	189,694	2,781,344	2,204,358	(576,986)
EXPENDITURES						
Regular programs	6,021,889	5,827,212	194,677	216,421	251,056	(34,635)
Special education	254,948	140,919	114,029	196,304	145,351	50,953
Compensatory education programs	103,059	86,543	16,516	150,644	90,879	59,765
Other instructional programs	322,385	281,088	41,297			
Student support services	471,600	424,620	46,980	621,350	445,576	175,774
Instructional staff support services	1,091,843	1,133,182	(41,339)	354,499	282,567	71,932
General administration support services	468,934	451,637	17,297			
School administration support services	1,061,993	1,105,457	(43,464)	84,896	149	84,747
Central services support services	556,508	514,558	41,950			
Operation and maintenance of plant services	6,092,923	5,157,353	935,570	9,623	9,832	(209)
Student transportation services	126,693	125,248	1,445		130,870	(130,870)
Other support services	500	36	464			
Food services operations	4,219	1,427	2,792	1,211,866	738,051	473,815
Community services operations				600		600
Non-programmed costs					20,577	(20,577)
Activity expenditures		214,272	(214,272)			
TOTAL EXPENDITURES	16,577,494	15,463,552	1,113,942	2,846,203	2,114,908	731,295

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,573,365)</u>	<u>\$ (269,729)</u>	<u>\$ 1,303,636</u>	<u>\$ (64,859)</u>	<u>\$ 89,450</u>	<u>\$ 154,309</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	20,026,731		(20,026,731)			
Transfers out	<u>(20,026,731)</u>	<u>(594,516)</u>	<u>19,432,215</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>(594,516)</u>	<u>(594,516)</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,573,365)	(864,245)	709,120	(64,859)	89,450	154,309
FUND BALANCES - JULY 1	<u>3,235,506</u>	<u>3,166,205</u>	<u>(69,301)</u>	<u>226,902</u>	<u>118,991</u>	<u>(107,911)</u>
FUND BALANCES - JUNE 30	<u><u>\$ 1,662,141</u></u>	<u><u>\$ 2,301,960</u></u>	<u><u>\$ 639,819</u></u>	<u><u>\$ 162,043</u></u>	<u><u>\$ 208,441</u></u>	<u><u>\$ 46,398</u></u>

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

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Education, a nine member group, is the level of government, which has responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Academics Plus Charter School (Charter School). The Charter School is an open enrollment charter school, and the sponsoring entity is Academics Plus Charter Schools, Inc., a nonprofit corporation.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the Charter School' food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Fiduciary Fund types include the following:

Custodial Funds – Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c) and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets, leases, and debt in the financial statements, inclusion of the net pension liability in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Major governmental funds are defined as general and special revenue, and such funds are presented separately in the financial statements. All other governmental funds are presented in the aggregate. Fiduciary fund types are presented in a separate column in the Balance Sheet – Regulatory Basis. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and financed purchases are reported as other financing sources. Changes in private-purpose funds will be reflected in the notes to financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at acquisition value when received. The Charter School maintains a threshold level of \$1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

F. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

G. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – represents amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Budget and Budgetary Accounting

The Charter School is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The Charter School does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school Charter Schools employ the cash basis method.

The Charter School budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the Charter School routinely budgets restricted federal programs as part of the special revenue fund.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

I. Stabilization Arrangements

The Charter School Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

J. Minimum Fund Balance Policies

The Charter School Board of Education has not formally adopted a minimum fund balance policy.

K. Fund Balance Classification Policies and Procedures

The Executive Director, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Charter School's Board of Education has not adopted a formal policy addressing this authorization.

The Charter School's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the Charter School's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The Charter School's does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. Charter School personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Charter School does not have a policy addressing which resources to use within the unrestricted fund balances when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

L. Encumbrances

The Charter School does not utilize encumbrance accounting.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 515,939	\$ 515,939
Collateralized:		
Collateral held by the Charter School's agent, pledging bank or pledging bank's trust department or agent in the Charter School's name	4,321,988	4,769,166
Total Deposits	<u>\$ 4,837,927</u>	<u>\$ 5,285,105</u>

The above total deposits include certificates of deposit of \$2,022,872 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, were comprised of the following:

Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
State assistance			\$ 100,213
Federal assistance		\$ 194,394	
Activity fund accounts	\$ 3,300		
Other	393		
Totals	<u>\$ 3,693</u>	<u>\$ 194,394</u>	<u>\$ 100,213</u>

4: ACCOUNTS PAYABLE

Accounts payable at June 30, 2023, were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Vendor payables	<u>\$ 39,512</u>	<u>\$ 174</u>

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

5: COMMITMENTS

The Charter School was contractually obligated for the following at June 30, 2023:

Leases (leases of nonfinancial assets with initial noncancelable lease terms in excess of one year)

General description of leases and leasing arrangements:

Real property for 300 months, beginning March 17, 2015, with monthly payments to the Maumelle Foundation for Education, Inc., with a \$300,000 refundable security deposit. Monthly rental payments are based on 100 percent of the related debt payments incurred for the leased premises plus an additional charge for other expenditures.

Real property for 312 months, beginning August 10, 2016, with monthly payments to the Maumelle Foundation for Education, Inc., with a \$10,000 refundable security deposit. Monthly rental payments are based on 100 percent of related debt payments incurred for the leased premises plus two and one-half percent of the amount of annual payments.

Real property for 250 months, beginning March 15, 2018, with monthly payments to the Academics Plus, LLC, with a \$30,000 refundable security deposit. Monthly rental payments are based on 100 percent of related debt payments incurred for the leased premises plus one percent of the amount of annual payments.

Real Property for 380 months, beginning October 30, 2020, with monthly payments to the Academics Plus, LLC, with a \$30,000 refundable security deposit. Monthly rental payments are based on 100 percent of related debt payments incurred for the leased premises plus one percent of the amount of annual payments.

1. Future minimum lease payments (aggregate) at June 30, 2023: \$90,857,181
2. Future minimum lease payments for the succeeding years:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ 3,652,451
2025	4,072,703
2026	4,070,071
2027	4,073,443
2028	4,071,588
2029-2033	21,428,880
2034-2038	18,135,351
2039-2043	14,978,372
2044-2048	9,638,531
2049-2052	6,735,791
Total	<u>\$ 90,857,181</u>

Lease payments for the leases described above were approximately \$3,467,202 for the year ended June 30, 2023.

6: INTERFUND TRANSFERS

The Charter School transferred \$594,516 from the general fund to the other aggregate funds for capital expenditures of \$594,516.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7: RETIREMENT PLAN

Arkansas Teacher Retirement System

Plan Description

The Charter School contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201, by calling 501-682-1517, or by visiting the ATRS website at www.artrs.gov.

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 7% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 15% of covered salaries. The Charter School's contributions to ATRS for the year ended June 30, 2023, were \$1,268,987, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the Charter School's proportionate share of the collective net pension liability. The Charter School's proportionate share of the collective net pension liability at June 30, 2022, (actuarial valuation date and measurement date) was \$11,260,499.

8: RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Charter School carries commercial insurance for board legal liability and general liability.

The Charter School participates in the Arkansas School Boards Association – Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994, pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member Charter Schools. The Charter School contributes annually to this program.

Additionally, the Charter School participates in the Arkansas School Boards Association – Risk Management Program (the Association), a self-insurance program voluntarily established on February 1, 1984, pursuant to state law. The Association is responsible for obtaining and administering insurance coverage for property and vehicles for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Association is responsible for monitoring, negotiating, and settling claims that have been filed against member Charter Schools. The Charter School pays an annual premium for its coverage of buildings, contents, vehicles, and mobile equipment.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

8: RISK MANAGEMENT (Continued)

The Charter School participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$300,000 with a \$2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

Settled claims have not exceeded coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

9: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the Charter School's employees, totaled \$304,262 for the year ended June 30, 2023.

10: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

Description	Governmental Funds		
	Major		Other
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Child nutrition programs		\$ 114,066	
Walton Grants-Merit Pay	\$ 259,156		
Medical services		43,764	
Special education programs	77,620	12,843	
Title I programs		37,638	
Other purposes	23,694	130	
Total Restricted	<u>360,470</u>	<u>208,441</u>	
Assigned to:			
Capital projects			\$2,947,565
Student activities	179,282		
Total Assigned	<u>179,282</u>		<u>2,947,565</u>
Unassigned	<u>1,762,208</u>		
Totals	<u>\$2,301,960</u>	<u>\$ 208,441</u>	<u>\$2,947,565</u>

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

11: COMPONENT UNITS

- A. The financial statements do not include assets, net assets, and changes in net assets of the Maumelle Foundation for Education, Inc. The Foundation operates as a nonprofit organized exclusively for charitable, education, and scientific purposes. A summary of the Foundation's financial condition (unaudited) as of December 31, 2023, is as follows:

	<u>December 31, 2023</u>
<u>ASSETS</u>	
Cash	\$ 2,723,194
Accounts Receivable	
Fixed Assets	<u>23,368,062</u>
 TOTAL ASSETS	 <u><u>\$ 26,091,256</u></u>
 <u>LIABILITIES</u>	
Security Deposits	\$ 350,000
Accounts Payable	315
Long term debt - bonds payable	<u>22,700,000</u>
 TOTAL LIABILITIES	 <u><u>23,050,315</u></u>
 NET ASSETS	 <u>3,040,941</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 26,091,256</u></u>
 <u>REVENUE</u>	
Rental Income	\$ 1,937,398
Other	<u>86,446</u>
 TOTAL REVENUE	 2,023,844
 <u>EXPENDITURES</u>	 <u>1,638,089</u>
 Other Income	
Realized Gain (Loss)	-
Unrealized Gain/(Loss)	
 NET INCOME	 <u><u>\$ 385,755</u></u>

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

11: COMPONENT UNITS (Continued)

- B. The financial statements do not include assets, liabilities, equity, and changes in equity of the Academics Plus, LLC, a wholly-owned subsidiary of the sponsoring organization, Academics Plus Charter Schools, Inc., a nonprofit corporation. The LLC operates as a lessor of the facilities located at Scott and Maumelle to Academics Plus Charter School. A summary of the LLC's financial condition (unaudited) as of June 30, 2023, is as follows:

	June 30, 2023
<u>ASSETS</u>	
Cash	\$ 109,363
Cash - Restricted Bond Funds	1,206,911
Fixed Assets	36,986,592
TOTAL ASSETS	\$ 38,302,866
<u>LIABILITIES</u>	
Long term debt - bonds payable	\$ 34,014,084
Security Deposit	60,000
TOTAL LIABILITIES	34,074,084
NET ASSETS	4,228,782
TOTAL LIABILITIES AND NET ASSETS	\$ 38,302,866
<u>REVENUE</u>	
Rental Income	\$ 1,530,262
Other Income	52,967
TOTAL REVENUE	1,583,229
<u>EXPENDITURES</u>	
Debt Payments	1,384,782
Depreciation	73,296
Licenses & Fees	334
TOTAL EXPENDITURES	1,458,412
NET INCOME	\$ 124,817

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

Schedule 1

	Balance June 30, 2023
Depreciable capital assets:	
Buildings	712,985
Improvements/infrastructure	223,126
Equipment	1,794,660
Total depreciable capital assets	<u>2,730,771</u>
Less accumulated depreciation for:	
Buildings	188,941
Improvements/infrastructure	43,178
Equipment	473,981
Total accumulated depreciation	<u>706,100</u>
Total depreciable capital assets, net	<u>2,024,671</u>
Capital assets, net	<u><u>\$ 2,024,671</u></u>

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
CHILD NUTRITION CLUSTER				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	6040		\$ 87,948
National School Lunch Program (Note 5)	10.555			23,198
Arkansas Department of Education - National School Lunch Program	10.555	6040		344,988
Arkansas Department of Human Services - National School Lunch Program (Note 6)	10.555	6040		16,083
Total for National School Lunch Program				384,269
Total U. S. Department of Agriculture				472,217
TOTAL CHILD NUTRITION CLUSTER				472,217
SPECIAL EDUCATION CLUSTER (IDEA)				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	6040		312,797
Arkansas Department of Education - COVID-19 American Rescue Plan - Special Education Grants to States	84.027X	6040		83,072
Arkansas Department of Education - Special Education - Preschool Grants	84.173A	6040		4,895
Total U. S. Department of Education				400,764
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				400,764
OTHER PROGRAMS				
<u>Federal Communications Commission</u>				
Emergency Connectivity Fund Program- COVID-19	32.009			29,529
Total Federal Communications Commission				29,529
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	6040		12,624
Arkansas Department of Education - COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	6040		467,276
Total Education Stabilization Fund				479,900
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	6040		183,506
Arkansas Public School Resource Center - Charter Schools	84.282A	6040		3,543
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	6040		42,922
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424A	6040		20,411
Total U. S. Department of Education				730,282
<u>U. S. Department of Health and Human Services</u>				
Arkansas Department of Education - Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	6040		245
Total U. S. Department of Health and Human Services				245
TOTAL OTHER PROGRAMS				760,056
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 0	\$ 1,633,037

The accompanying notes are an integral part of this schedule.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Academics Plus Charter School (School) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: The Charter School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 4: During the year ended June 30, 2023, the District received Medicaid funding of \$119 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.
- Note 5: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 6: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued on whether the financial statements audited were prepared in accordance with:

Generally accepted accounting principles (GAAP) - adverse
Regulatory basis - unmodified

Internal control over financial reporting:

<input checked="" type="radio"/> Material weakness(es) identified?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no
<input checked="" type="radio"/> Significant deficiency(ies) identified?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	none reported

Noncompliance material to financial statements noted?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no
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FEDERAL AWARDS

Internal control over major federal programs:

<input checked="" type="radio"/> Material weakness(es) identified?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no
<input checked="" type="radio"/> Significant deficiency(ies) identified?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no
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Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
84.425D and 84.425U	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	<u>\$</u>	<u>750,000</u>
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Auditee qualified as low-risk auditee?	<input checked="" type="text" value="X"/>	yes	<input type="text"/>	no
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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



ACADEMICS PLUS CHARTER SCHOOLS, INC.

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ACADEMICS PLUS CHARTER SCHOOLS
PULASKI COUNTY, ARKANSAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENT FINDINGS

There were no findings in the prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

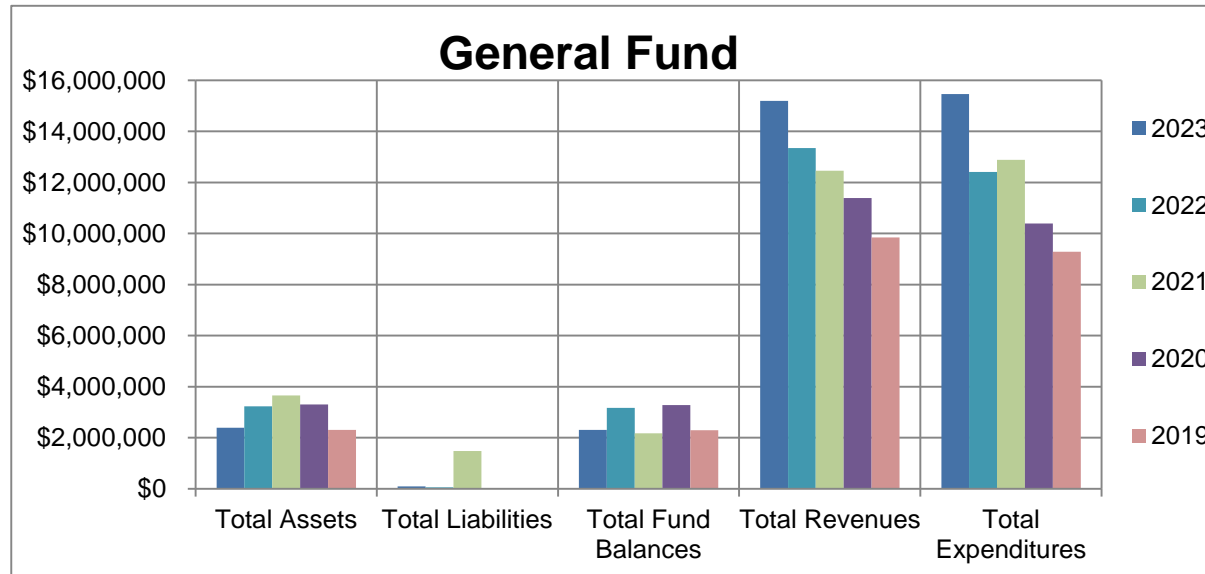
There were no findings in the prior audit.

PRODUCING HIGH PERFORMERS!

ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

Schedule 5

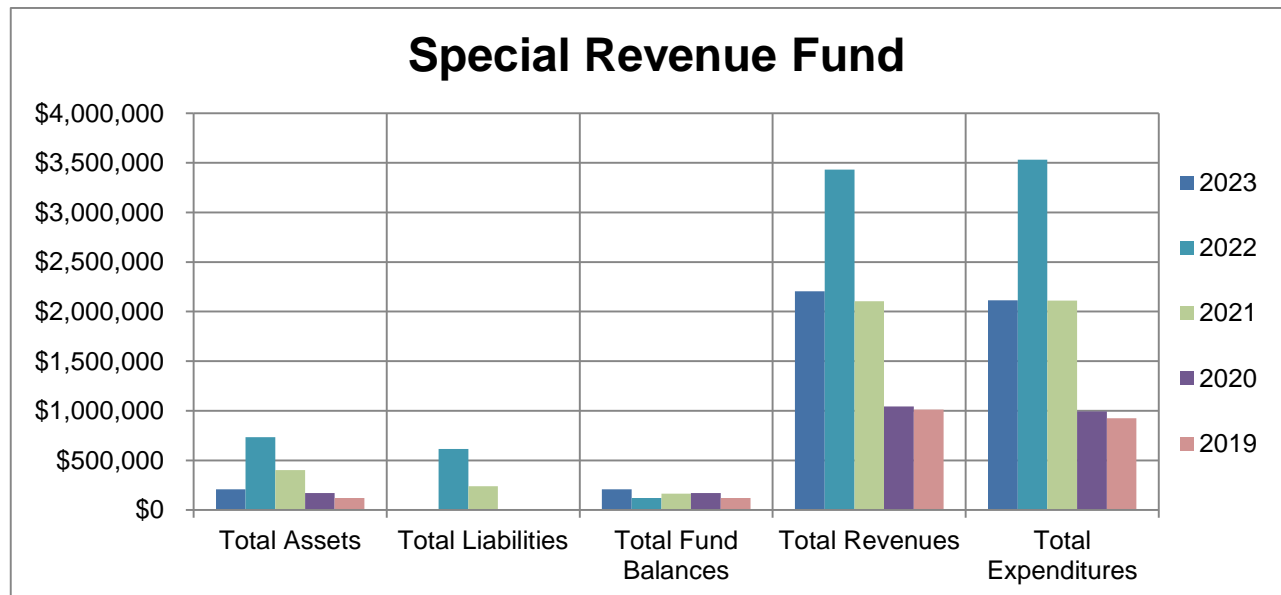
<u>General Fund</u>	Year Ended June 30,				
	2023	2022	2021	2020	2019
Total Assets	\$ 2,396,565	\$ 3,225,671	\$ 3,656,450	\$ 3,298,490	\$ 2,311,957
Total Liabilities	94,605	59,466	1,484,653	22,863	18,684
Total Fund Balances	2,301,960	3,166,205	2,171,797	3,275,627	2,293,273
Total Revenues	15,193,823	13,349,914	12,461,543	11,387,793	9,847,564
Total Expenditures	15,463,552	12,414,331	12,886,946	10,387,063	9,289,687
Total Other Financing Sources (Uses)	(594,516)		(716,549)	(18,376)	(13,236)



ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

Schedule 5

<u>Special Revenue Fund</u>	Year Ended June 30,				
	2023	2022	2021	2020	2019
Total Assets	\$ 208,615	\$ 733,692	\$ 402,023	\$ 169,230	\$ 120,388
Total Liabilities	174	614,701	237,805		346
Total Fund Balances	208,441	118,991	164,218	169,230	120,042
Total Revenues	2,204,358	3,431,299	2,105,832	1,042,509	1,013,140
Total Expenditures	2,114,908	3,532,126	2,110,844	993,321	923,309
Total Other Financing Sources (Uses)		55,600			



ACADEMICS PLUS CHARTER SCHOOL
PULASKI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

Schedule 5

<u>Other Aggregate Funds</u>	Year Ended June 30,				
	2023	2022	2021	2020	2019
Total Assets	\$ 2,947,565	\$ 2,304,634	\$ 2,420,363	\$ 1,108,829	\$ 1,047,101
Total Liabilities					
Total Fund Balances	2,947,565	2,304,634	2,420,363	1,108,829	1,047,101
Total Revenues	1,036,391	930,411	1,232,279	835,283	679,439
Total Expenditures	987,976	1,046,140	637,294	791,931	662,574
Total Other Financing Sources (Uses)	594,516		716,549	18,376	141,149

