LAS AMÉRICAS ASPIRA ACADEMY

(A Component Unit of the State of Delaware)

NEWARK, DELAWARE

FINANCIAL STATEMENTS

JUNE 30, 2015

LAS AMÉRICAS ASPIRA ACADEMY
(A Component Unit of the State of Delaware)

Table of Contents

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 3
BASIC FINANCIAL STATEMENTS	
Entity-wide Financial Statements:	
Statements of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	6
Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to Statement of Activities	9
Notes to Financial Statements	10 - 26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - Governmental Funds	27
Schedule of Proportionate Share of Net Pension Liability and Contributions	28
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - General Fund	29
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	30
Schedule of Expenditures by Natural Classification - Governmental Funds	31
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	32 - 33

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INDEPENDENT AUDITOR'S REPORT

September 25, 2015

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Las Américas ASPIRA Academy (the "School"), Newark, Delaware, (a component unit of the State of Delaware) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School'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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting polices 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 opinions.

BARBACANE THORNTON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Las Américas ASPIRA Academy

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Las Américas ASPIRA Academy as of June 30, 2015, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, Las Américas ASPIRA Academy has adopted the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions," and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68." These statements modify the accounting for the School's pensions. As a result, the beginning governmental activities net position has been restated. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Las Américas ASPIRA Academy's 2014 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated August 26, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 27 and the schedule of proportionate share of net pension liability and contributions on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Board of Directors
Las Américas ASPIRA Academy

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Américas ASPIRA Academy's basic financial statements. The combining balance sheet - general fund, combining statement of revenues, expenditures and changes in fund balances - general fund, and schedule of expenditures by natural classification - governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet - general fund, the combining statement of revenues, expenditures, and changes in fund balances - general fund, and schedule of expenditures by natural classification - governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - general fund, the combining statement of revenues, expenditures, and changes in fund balances - general fund, and schedule of expenditures by natural classification - governmental funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2015 on our consideration of Las Américas ASPIRA Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Américas ASPIRA Academy's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

BASIC FINANCIAL STATEMENTS

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENTS OF NET POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and pooled cash	$ 1,402,441	$ 388,934
Accounts receivable	32,835	28,466
Due from State	70,786	52,665
Prepaid expenses	-	29,872
Deposit on building	-	25,000
Total Current Assets	1,506,062	524,937
NONCURRENT ASSETS:		
Land	529,959	-
Construction-in-progress	1,056,381	-
Depreciable capital assets, net	6,904,328	2,070,735
Total Noncurrent Assets	8,490,668	2,070,735
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension contributions	522,735	197,981
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,519,465	$ 2,793,653
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 273,713	$ 71,764
Accrued salaries and related costs	494,599	325,245
Security deposit	11,287	-
Notes payable	163,349	143,600
Capital lease payable	55,042	-
Total Current Liabilities	997,990	602,018
NONCURRENT LIABILITIES:		
Compensated absences	117,977	87,775
Notes payable	6,756,516	780,612
Capital lease payable	125,382	-
Net pension liability	390,535	844,614
Total Liabilities	8,388,400	2,315,019
DEFERRED INFLOWS OF RESOURCES		
Deferred pension contributions	620,631	-
NET POSITION:		
Net investment in capital assets	1,390,379	1,146,523
Unrestricted (Deficit)	120,055	(667,889)
Total Net Position	1,510,434	478,634
TOTAL LIABILITIES AND NET POSITION	$ 10,519,465	$ 2,793,653

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

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(With Summarized Comparative Data for June 30, 2014)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Operating	Capital	Totals	
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	2015	2014
GOVERNMENTAL ACTIVITIES						
Instructional services	$ (4,567,787)	$ 160,546	$ 1,111,161	$ -	$ (3,296,080)	$ (3,037,302)
Support services:						
Operation and maintenance of facilities	(788,140)	-	-	-	(788,140)	(695,363)
Transportation	(263,586)	-	-	-	(263,586)	(277,936)
Food service	(334,046)	56,286	131,306	-	(146,454)	(128,458)
Interest on long-term debt	(158,921)	-	-	-	(158,921)	(55,948)
TOTAL GOVERNMENTAL ACTIVITIES	$ (6,112,480)	$ 216,832	$ 1,242,467	$ -	(4,653,181)	(4,195,007)
		GENERAL REVENUES				
		Charges to school districts			1,867,926	1,528,852
		State aid not restricted to specific purposes			3,694,415	2,919,686
		Other local revenues			117,711	21,762
		Interest income			4,929	3,311
		TOTAL GENERAL REVENUES			5,684,981	4,473,611
		CHANGE IN NET POSITION			1,031,800	278,604
		NET POSITION, BEGINNING OF YEAR, RESTATED			478,634	200,030
		NET POSITION, END OF YEAR			$ 1,510,434	$ 478,634

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

LAS AMÉRICAS ASPIRA ACADEMY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015
(With Summarized Comparative Data for June 30, 2014)

	General Fund	Capital Projects Fund	Total Government Funds	
			2015	2014
ASSETS				
Cash and pooled cash	$ 1,256,665	$ 145,776	$ 1,402,441	$ 388,934
Accounts receivable	32,835	-	32,835	28,466
Prepaid expenditures	-	-	-	29,872
Deposit on building	-	-	-	25,000
TOTAL ASSETS	$ 1,289,500	$ 145,776	$ 1,435,276	$ 472,272
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ 21,454	$ 252,259	$ 273,713	$ 71,764
Accrued salaries and related costs	494,599	-	494,599	325,245
Security deposit	11,287	-	11,287	-
TOTAL LIABILITIES	527,340	252,259	779,599	458,418
FUND BALANCES (DEFICIT):				
Nonspendable	-	-	-	29,872
Unassigned (Deficit)	762,160	(106,483)	655,677	(16,018)
TOTAL FUND BALANCES (DEFICIT)	762,160	(106,483)	655,677	13,854
TOTAL LIABILITIES AND FUND BALANCES	$ 1,289,500	$ 145,776	$ 1,435,276	$ 472,272

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

LAS AMÉRICAS ASPIRA ACADEMY
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 655,677
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in the footnotes are included in the statement of net position.		8,490,668
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Compensated absences	$ (117,977)	
State portion of compensated absences	70,786	
Capital lease payable	(180,424)	
Net pension liability	(390,535)	
Notes payable	(6,919,865)	(7,538,015)
Deferred inflows and outflows related to the School's net pension liability are based on the differences between actuarially determined actual and expected investment returns, changes in the actuarially determined proportion of the School's amount of the total pension liability, and pension contributions made after the measurement date of the net pension liability. These amounts will be amortized over the estimated remaining average service life of the employees.		
Deferred outflows - pension contributions	522,735	
Deferred inflows	(620,631)	(97,896)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 1,510,434

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
(With Summarized Comparative Data for the Year Ended June 30, 2014)

	General Fund	Capital Projects Fund	Total Governmental Funds 2015	Total Governmental Funds 2014
REVENUES				
Charges to school districts	$ 1,867,926	$ -	$ 1,867,926	$ 1,528,852
State aid	3,676,294	-	3,676,294	2,936,075
Federal aid	409,916	-	409,916	271,700
Interest income	4,732	197	4,929	3,311
Food service revenue	56,286	-	56,286	40,526
Other local revenues	112,562	5,149	117,711	21,762
After care	117,783	-	117,783	118,443
Donations	832,551	-	832,551	65,668
Summer camp	42,763	-	42,763	28,850
TOTAL REVENUES	7,120,813	5,346	7,126,159	5,015,187
EXPENDITURES				
Current:				
Instruction	4,509,538	-	4,509,538	3,342,550
Operation and maintenance of facilities	579,438	-	579,438	618,148
Transportation	263,586	-	263,586	277,936
Food services	334,046	-	334,046	272,812
Capital outlays:				
Property	-	6,325,009	6,325,009	756,403
Equipment	489,875	-	489,875	421,991
Debt service:				
Principal	256,598	805,704	1,062,302	190,440
Interest	154,835	4,086	158,921	55,948
TOTAL EXPENDITURES	6,587,916	7,134,799	13,722,715	5,936,228
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	532,897	(7,129,453)	(6,596,556)	(921,041)
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease financing	251,696	-	251,696	-
Debt proceeds	-	6,986,683	6,986,683	688,874
Transfers in (out)	(36,287)	36,287	-	-
TOTAL OTHER FINANCING SOURCES	215,409	7,022,970	7,238,379	688,874
NET CHANGE IN FUND BALANCES	748,306	(106,483)	641,823	(232,167)
FUND BALANCES, BEGINNING OF YEAR	13,854	-	13,854	246,021
FUND BALANCES (DEFICIT), END OF YEAR	$ 762,160	$ (106,483)	$ 655,677	$ 13,854

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

LAS AMÉRICAS ASPIRA ACADEMY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 641,823
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $1,000 are capitalized, and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	$ 6,734,945	
Depreciation expense	(315,012)	6,419,933
Debt and capital lease proceeds are reported as financing sources in the governmental funds and, thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt and obtaining capital leases increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Debt proceeds	(6,986,683)	
Principal repayments	991,030	
Capital lease proceeds	(251,696)	
Lease payments	71,272	(6,176,077)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Compensated absences, net of state portion		(12,081)
Pension expenses in the statement of activities differ from the amount reported in the governmental funds because pension expenses are recognized on the statement of activities based on the organization's proportionate share of the expenses of the cost-sharing pension plan, whereas pension expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.		158,202
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ 1,031,800

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Charter School

Las Américas ASPIRA Academy is organized under Delaware Code, Title 14, Chapter 5 of the State of Delaware. The Charter School Law grants authority for independent public schools to be created for the purpose of increasing choices for parents of public school students and increasing academic performance. A charter school is an independent public school governed by an independent board of directors. In Delaware, charter schools have the same basic standing as a school district with some exceptions - most notably, they may not levy taxes. To encourage innovation, charter schools operate free from a number of state laws and regulations. Las Américas ASPIRA Academy's initial charter was granted for a four-year period, renewable every five years thereafter. Las Américas ASPIRA Academy's first full year of school started September 1, 2011.

Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Public funds are not provided for facilities. Charter schools may charge for selected additional costs consistent with those permitted by other school districts. Because a charter school receives local, state, and federal funds, they may not charge tuition.

The financial statements of Las Américas ASPIRA Academy have been prepared in conformity with generally accepted accounting principles as applied to local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of Las Américas ASPIRA Academy (the "School") are described below.

Reporting Entity

The School is a special purpose government and is considered a component unit of the State of Delaware. A component unit, although a legally separate entity, is, in substance, part of the State of Delaware's operations. The School has no component units for which it is considered to be financially accountable.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (the statement of net position and the statement of activities) report information on all activities of the School. For the most part, the effect of interfund activity has been removed from these financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges to the School are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to students for special fees, supplies, food, or services provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include charges to school districts.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Charges to the school districts, state appropriations, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School receives cash.

The School reports the following major governmental funds:

- **General Fund**. The general fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

- **Capital Projects Fund**. The capital projects fund accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodeling of facilities, and procurement of equipment necessary for providing educational programs for all students within the School.

Receivables

The School considers all accounts receivable at year end to be collectible; therefore, no allowance for doubtful accounts has been recorded.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital Assets

Capital assets, which include land, buildings and improvements, furniture and fixtures, and equipment, are reported in the entity-wide financial statements. The School defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest cost incurred during construction is capitalized.

Leasehold improvements, furniture and fixtures, and equipment of the School are depreciated using the straight-line method over the estimated useful lives of the related assets. The School generally uses the following estimated useful lives:

Building and improvements	24 - 40 years
Furniture	3 years
Equipment	5 years

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The School reports deferred pension contributions resulting from pension contributions subsequent to the measurement date of the net pension liability and certain other items which represent differences related to changes in the net pension liability which will be amortized over future periods. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents a source of net position that applies to future periods. The School reports certain items which represent differences related to changes in the net pension liability which will be amortized over future periods.

Long-term Obligations

In the entity-wide financial statements, long-term debt is reported as liabilities. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as operating expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Compensated Absences

Vacation pay plus related payroll taxes are accrued when incurred in the entity-wide financial statements. The liability for these amounts is reported in the governmental funds only when the liability matures, for example, as a result of employee resignations and retirements.

Vacation – Twelve-month employees can accumulate up to 42 days of vacation. Any days in excess of 42 are dropped as of July 1 of each year. Employees are paid for unused vacation upon termination and retirement at the current rate of pay.

Sick Leave – Sick leave allowances are as follows: teachers shall be allowed 10 days of sick leave per year, and annual employees earn one day of sick leave for each month worked. Any unused sick days shall be accumulated to the employee's credit up to a maximum of 120 days. Compensation for accumulated sick days is received when employees (a) qualify and apply for state pension and are paid at a rate of 50 percent of the per diem rate of pay not to exceed 120 days; or (b) in the case of death, when payment is made to the employee's estate at a rate of one day's pay for each day of unused sick leave not to exceed 120 days.

The compensated absences liability was $117,977 at June 30, 2015.

Fund Equity

Fund balance will be displayed in the following classification (if applicable) depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Directors. The Board is the highest level of decision-making authority for Las Américas ASPIRA Academy. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Head of School may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Restricted Net Position

Restricted net position is comprised of assets, net of related liabilities, that are required to be set aside for capital projects payments. When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first and then unrestricted resources as they are needed.

Income Tax Status

No provision has been made for income taxes since the School qualifies as a tax-exempt organization under the Internal Revenue Code, Section 501(c)(3), and its activities do not result in any income tax liability.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the School's tax returns will not be challenged by the taxing authorities and that the School will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the School's tax returns remain open for federal income tax examination for three years from the date of filing.

Implementation of GASB Statements

During the year ended June 30, 2015, the School implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions," and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, with the objective of improving the accounting and financial reporting of state and local governments for pensions. It requires that state and local governments recognize and record the actuarially determined net pension liability, or, for multi-employer cost sharing plans, the entity's share of the net pension liability, in the entity's financial statements.

GASB Statement No. 71 amends GASB Statement No. 68, and addresses an issue regarding application of the transition provisions in the year of implementation. It requires that in the year of implementation, the state or local government recognize a beginning deferred outflow of contributions for its pension contributions made after the date of measurement.

Use of Estimates in the Preparation of Financial Statements

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Comparative Data

Comparative total data for the prior year is presented in the basic financial statements to provide an understanding of changes in the School's financial position and operations. That comparative data is not at the level of detail required for a presentation in conformity with generally accepted accounting principles and has been restated and reclassified, as needed, from the presentation in the School's June 30, 2014 basic financial statements to be comparative with the current year presentation.

NOTE 2 CASH AND POOLED CASH

At June 30, 2015, the School had a cash equivalent balance of $1,402,441. Of those amounts, $1,255,549 was part of an investment pool controlled by the personnel of the State Treasurer's Office in Dover, Delaware, and all investment decisions are made by the State Treasurer's Office. These funds are considered to be highly liquid and available for immediate use and, thus, are recorded as cash equivalents in these financial statements.

The funds held by the State of Delaware investment pool, an internal investment pool, are specifically identified for the School, but the credit risk cannot be categorized for these funds. Credit risk for such investments depends on the financial stability of the State of Delaware. The State reports that its investment securities are stated at quoted market prices, except that investment securities with a remaining maturity at time of purchase of one year or less are stated at cost or amortized cost.

At June 30, 2015, the reported amount of the School's deposits outside of the State Treasurer's Office was $146,892 and the bank balance was $147,845, all of which was covered by federal depository insurance.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable represent receivables for revenues earned by the School. At June 30, 2015 receivables are as follows:

Description	
Passed through the State of Delaware:	
Local government - food service	$ 2,556
Federal government	26,490
Other receivables:	
Miscellaneous receivables	3,789
Total receivables	$ 32,835

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 is as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental Activities:				
General capital assets not being depreciated:				
Land	$ -	$ 529,959	$ -	$ 529,959
Construction-in-progress	-	1,056,381	-	1,056,381
Total general capital assets not being depreciated	-	1,586,340	-	1,586,340
General capital assets being depreciated:				
Buildings and improvements	1,889,542	4,823,161	-	6,712,703
Furniture and equipment	490,766	325,444	-	816,210
Total general capital assets being depreciated	2,380,308	5,148,605	-	7,528,913
Accumulated depreciation	309,573	315,012	-	624,585
Total general capital assets being depreciated, net	2,070,735	4,833,593	-	6,904,328
Governmental Activities, Net	$ 2,070,735	$ 6,419,933	$ -	$ 8,490,668

Depreciation expense was charged to the following governmental activities:

Instructional services	$ 186,249
Operation and maintenance of facilities	128,763
	$ 315,012

NOTE 5 LONG-TERM DEBT

The School signed non-interest bearing notes with four vendors to repay costs associated with the start-up of the School. Monthly payments on these notes varied from $724 to $5,000 per month. These notes were paid off in the year ended June 30, 2015.

On June 28, 2013 the School obtained financing through a promissory note from Building Hope...A Charter School Facilities Fund. The promissory note was to be used to pay off a previous note with Building Hope...A Charter School Facilities Fund as well as to finance leasehold

NOTE 5 LONG-TERM DEBT (cont'd)

improvements. Funds were to be drawn down on the note as needed up to the principal balance of $910,000. As of June 30, 2014, the School had drawn down the entire $910,000. The note bore interest at 6.0 percent. This note was paid in full in the year ended June 30, 2015.

During the year ended June 30, 2015, the School signed three notes for the purpose of purchasing the school building and to make improvements to the building. The first note, from M&T Bank in the amount of $5,400,000, bears interest at a rate of 4.26 percent with monthly payments including principal and interest of $29,284. The second note, with Mattei Corporation in the amount of $1,500,000, bears interest at a rate of 4.5 percent with monthly payments including principal and interest of $8,337. The third note is a construction loan with M&T Bank with available funds of $600,000. For the year ended June 30, 2015, the School made drawdowns totaling $86,683 on the construction loan. The construction loan is interest only for the first year with principal payments starting in February 2016. The note bears interest at a rate of LIBOR + 2.75 percent with varying monthly payments depending on the amount drawn.

A schedule of changes in debt for the year ended June 30, 2015 is as follows:

	Amounts Outstanding 7/1/2014	Additions	Retirements	Amounts Outstanding 6/30/2015	Due Within One Year
Governmental Activities:					
Notes payable	$ 924,212	$ 6,986,683	$ 991,030	$ 6,919,865	$ 163,349
Leases payable	-	251,696	71,272	180,424	55,042
Compensated absences	87,775	30,202	-	117,977	-
Total Governmental Activities	$ 1,011,987	$ 7,268,581	$ 1,062,302	$ 7,218,266	$ 218,391

A summary of the School's notes payable is as follows:

Description	Amount of Original Issue	Interest Rate	Maturity Date	Balance June 30, 2015
M&T Bank Mortgage	$ 5,400,000	4.26%	12/21/19	$ 5,349,611
M&T Construction	600,000	LIBOR+2.75%	01/21/20	86,683
Mattei Corporation	1,500,000	4.5%	07/01/20	1,483,571
				6,919,865
Less Current Portion				163,349
				$ 6,756,516

NOTE 5 LONG-TERM DEBT (cont'd)

The total principal and interest maturities as of June 30, 2015 are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 163,349	$ 297,692	$ 461,041
2017	184,599	289,855	474,454
2018	192,499	281,955	474,454
2019	200,741	273,713	474,454
2020	6,178,677	180,847	6,359,524
Total	$ 6,919,865	$ 1,324,062	$ 8,243,927

NOTE 6 FUND BALANCES

As of June 30, 2015, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Total Governmental Funds
Unassigned (Deficit)	$ 762,160	$ (106,483)	$ 655,677
Total Fund Balances	$ 762,160	$ (106,483)	$ 655,677

Deficit Fund Balance

The deficit in the Capital Projects Fund as of June 30, 2015 was $106,483. It is anticipated that this deficit will be eliminated by transfers from the general fund in future years to cover the cost of construction related to the School's building improvements.

NOTE 7 LEASING ARRANGEMENTS

Capital Lease - Lessee

The School entered into a lease agreement as lessee for financing the acquisition of various equipment. These lease agreements qualify as capital lease for accounting purposes, and, therefore, have been recorded at the net present value of future minimum lease payments as of the inception date.

Equipment acquired through capital leases	$ 251,696
Less: accumulated depreciation	(40,556)
TOTAL	$ 211,140

NOTE 7 LEASING ARRANGEMENTS (cont'd)

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year Ending December 31,	
2016	$ 71,272
2017	71,272
2018	71,272
Total minimum lease payments	213,816
Less: amount representing interest	(33,392)
Net present value of minimum lease payments	$ 180,424

Amortization of leased equipment and vehicles under capital assets is included with depreciation expense.

Operating Lease - Lessee

The School leases its copier equipment under two operating lease arrangements. The leases expire on November 1, 2016 and August 1, 2016. The School also leased the building in which they operate for a portion of the year; however, during the year the School purchased this building. Total rental expense for the building for the year ended June 30, 2015 was $158,023. Total expense paid under the copier lease was $19,943 for the year ended June 30, 2015.

At June 30, 2015, the minimum future rental payments under noncancelable leasing arrangements for the remaining years and in the aggregate are as follows:

Year Ending June 30,	
2016	$ 19,943
2017	7,185
	$ 27,128

Operating Lease - Lessor

During the year, the School purchased the building in which it operates. With this purchase, the School was assigned an existing lease from Mattei Corporation, the previous owner of the building. This assignment occurred January 21, 2015. The lease, originally signed June 1, 2011, entitles Delaware Sportsplex LLC Inc. to 38,700 square feet of space inside the building now owned by the School. The lease terminates on October 31, 2015, with the lessee having the option to renew for one additional year.

NOTE 7 LEASING ARRANGEMENTS (cont'd)

At June 30, 2015, the minimum future rental revenue under the building lease with Delaware Sportsplex LLC Inc. is as follows:

Year Ending June 30,	
2016	$ 53,020

NOTE 8 PENSION PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Pension Plan (the "Plan"), which is a cost-sharing, multiple-employer defined benefit public employees' retirement system (the "State PERS") defined by the Delaware Code.

The State of Delaware General Assembly is responsible for setting benefits and contributions, and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the "Board").

The following are brief descriptions of the Plan in effect as of June 30, 2014. For a more complete description, please refer to the Delaware Employees' Pension Plan Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904; by calling 1-800-722-7300; or by visiting the PERS website at www.delawarepensions.com.

Plan Description and Eligibility

The State Employees' Pension Plan covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

There are two tiers within this plan: 1) employees hired prior to January 1, 2012, and 2) employees hired on or after January 1, 2012.

Benefits Provided

Service Benefits

Final average monthly compensation (employees hired on or after January 1, 2012 may not include overtime in pension compensation) multiplied by 2.0 percent and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85 percent and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, final average monthly compensation is the monthly average of the highest three periods of twelve consecutive months of compensation.

NOTE 8 PENSION PLAN (cont'd)

Vesting

Employees hired before January 1, 2012 vest in the plan after five years of credited service. Employees hired on or after January 1, 2012 vest in the plan after ten years of credited service.

Retirement

Employees hired before January 1, 2012 may retire at age 62 with five years of credited service; at age 60 with 15 years of credited service; or after 30 years of credited service at any age. Employees hired on or after January 1, 2012 may retire at age 65 with at least 10 years of credited service; at age 60 with 20 years of credited service; or after 30 years of credited service at any age.

Disability Benefits

Disability benefits for those employees hired before January 1, 2012 are offered using the same calculations as the Service Benefits described above. Employees in this program must have five years of credited service. In lieu of disability pension benefits, over 90 percent of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Employees hired on or after January 1, 2012 are also included in the Disability Insurance Program.

Survivor and Burial Benefits

In the event of the death of a member of the Plan, the eligible survivor receives 50 percent of the benefits received under the pension (or 75 percent with a three percent reduction of the benefit). If the employee is an active member of the Plan with at least five years of credited service, the eligible survivor receives 75 percent of the benefit the active employee would have received at age 62.

Burial benefits are established at $7,000 per plan member.

Contributions

Member Contributions

Employees hired before January 1, 2012 contribute three percent of earnings in excess of $6,000. Employees hired on or after January 1, 2012 contribute five percent of earnings in excess of $6,000.

Employer Contributions

Employer contributions are determined by the Board of Pension Trustees. For the year ended June 30, 2015, the rate of the employer contribution was 9.56 percent of covered payroll. The School's contribution to PERS for the years ended June 30, 2015, 2014, and 2013 was $559,741, $427,855, and $295,366, respectively.

NOTE 8 PENSION PLAN (cont'd)

PRI Contribution

All reporting units participating in the State PERS make contributions to a PRI fund which accumulates resources to fund ad hoc post-retirement increases granted by the General Assembly. The increases are funded over a five-year period from the PRI fund. The allocation of the contribution from the PRI fund to the Pension Trust is a reduction of the net pension liability of each participating employer.

Pension Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2015, the School reported a liability of $390,535 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by rolling forward the Plan's total pension liability as of June 30, 2013 to June 30, 2014. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2014, the School's proportion was 0.1061 percent, which was an increase of 0.0281 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School recognized pension expense of $158,202. At June 30, 2015, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ 620,631
Changes in proportions	253,294	-
Difference between employer contributions and proportionate share of total contributions	10,432	-
Contributions subsequent to the date of measurement	259,009	-
	$ 522,735	$ 620,631

An amount of $259,009 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the measurement date (June 30, 2014) and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions, and will be recognized in pension expense as follows:

NOTE 8 PENSION PLAN (cont'd)

Year Ending June 30,	
2016	$ 102,413
2017	102,413
2018	102,413
2019	102,413
2020	(52,747)
	$ 356,905

Actuarial Assumptions

The total pension liability as of the June 30, 2014 measurement date was determined by an actuarial valuation as of June 30, 2013, and update procedures were used to roll forward the total pension liability to June 30, 2014. These actuarial valuations used the following actuarial assumptions, applied to all periods:

- Investment return – 7.2 percent, including inflation of 3.0 percent
- Salary increases – 3.5 percent to 11.5 percent, including inflation of 3.0 percent
- Cost-of-living adjustments – ad hoc

The total pension liabilities are measured based on the assumptions pertaining to interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the actual experience deviates, the larger the impact on future financial statements.

Mortality rates were based on the Sex Distinct RP-2000 combined Mortality Table projected to 2015 using scale AA for Males or Females, as appropriate, for mortality improvement.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments ("ad hoc COLAs"), as they are not substantively automatic. The primary considerations relevant to making this determination include the historical patterns of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage, which is

NOTE 8 PENSION PLAN (cont'd)

based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	5.7%
International equity	5.7%
Fixed income	2.0%
Alternative investments	7.8%
Cash and equivalents	0.0%

Due to the fact that Plan assets are commingled with other State funds for investment purposes, a target allocation of each asset class specific to the Plan is not available. However, assets of the Plan may be used only for the payment of benefits to the members of the Plan.

Discount Rate

The discount used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at rates determined by the Board of Pension Trustees, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.2 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent), or one percentage point higher (8.2 percent) than the current rate.

	1% Decrease 6.2%	Current Rate Discount Rate 7.2%	1% Increase 8.2%
School's proportionate share of the net pension liability	$ 1,464,132	$ 390,535	$ (516,610)

NOTE 8 PENSION PLAN (cont'd)

Pension Plan Fiduciary Net Position

Detailed information about PERS' fiduciary net position is available in PERS Comprehensive Annual Financial Report, which can be found on the Plan's website at www.delawarepensions.com.

NOTE 9 RISK MANAGEMENT

The School has purchased commercial insurance policies for various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenses of the School for the year ended June 30, 2015. There was no significant reduction in coverage compared to the prior year.

NOTE 10 COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are various outstanding commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The School does not anticipate losses from these transactions.

Grants

The School receives significant financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the State Office of Auditor of Accounts. Any disallowed claims resulting from such audits could become a liability of the general fund. The School's administration believes such disallowance, if any, would be immaterial.

Construction Commitment

As of June 30, 2015, anticipated construction commitment is as follows:

Project	Contract Amount	Completed through June 30, 2015	Remaining Amount
Building improvements, phase III	$ 1,545,881	$ 1,056,381	$ 489,500

NOTE 11 EXCESS EXPENDITURES OVER APPROPRIATIONS

The School overspent budgetary appropriations in the following categories:

Salaries	$	129,613
Public utilities service	$	5,202
Repairs and maintenance	$	33,111
Supplies and materials	$	91,971
Property	$	6,188,009
Equipment	$	298,875
Principal on debt service	$	666,434
Interest on debt service	$	158,921

The excess expenditures were covered by debt proceeds and donations.

NOTE 12 RELATED PARTIES

During the year, the School paid off short-term borrowings with two related organizations, ASPIRA of Delaware and the ASPIRA Association. An amount of $22,890 was paid to ASPIRA of Delaware while an amount of $43,201 was paid to ASPIRA Association. Both notes were non-interest bearing.

NOTE 13 RESTATEMENT

The School has restated its July 1, 2013 net position in its governmental activities to record the net pension liability and deferred outflows at June 30, 2014 in accordance with the requirements of GASB Statement No. 68 and GASB Statement No. 71, as discussed in Note 1. The net result of this change is a decrease of $646,633 in governmental activities net position.

NOTE 14 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through September 25, 2015, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LAS AMÉRICAS ASPIRA ACADEMY
BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges to school districts	$ 1,916,671	$ 1,939,246	$ 1,867,926	$ (71,320)
State aid	3,517,149	3,570,286	3,676,294	106,008
Federal aid	365,939	368,515	409,916	41,401
Interest income	-	-	4,929	4,929
Food service revenue	185,208	185,208	56,286	(128,922)
Other local revenues	10,000	104,778	117,711	12,933
After care	212,139	198,668	117,783	(80,885)
Donations	1,478	-	832,551	832,551
Summer camp	45,077	45,077	42,763	(2,314)
Contingency	204,468	204,468	-	(204,468)
TOTAL REVENUES	6,458,129	6,616,246	7,126,159	509,913
EXPENDITURES				
Current:				
Salaries	2,707,199	2,727,000	2,856,613	(129,613)
Employment costs	1,281,267	1,276,665	1,254,368	22,297
Travel	18,600	17,400	17,312	88
Contractual services	675,828	525,372	472,228	53,144
Communications	14,181	13,300	9,610	3,690
Public utilities service	84,589	84,589	89,791	(5,202)
Insurance	29,334	26,000	18,723	7,277
Transportation - buses	282,540	292,000	263,586	28,414
Repairs and maintenance	58,514	74,900	108,011	(33,111)
Supplies and materials	467,517	504,395	596,366	(91,971)
Capital outlays:				
Property	140,000	137,000	6,325,009	(6,188,009)
Equipment	155,000	191,000	489,875	(298,875)
Debt service:				
Principal	201,152	395,868	1,062,302	(666,434)
Interest	-	-	158,921	(158,921)
TOTAL EXPENDITURES	6,115,721	6,265,489	13,722,715	(7,457,226)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	342,408	350,757	(6,596,556)	(6,947,313)
OTHER FINANCING SOURCES				
Proceeds from capital lease financing	-	-	251,696	-
Debt proceeds	-	-	6,986,683	6,986,683
TOTAL OTHER FINANCING SOURCES	-	-	7,238,379	7,238,379
NET CHANGE IN FUND BALANCE	342,408	350,757	641,823	291,066
FUND BALANCE, BEGINNING OF YEAR	13,854	13,854	13,854	-
FUND BALANCE, END OF YEAR	$ 356,262	$ 364,611	$ 655,677	$ 291,066

NOTE: The School's budget is presented on the modified accrual basis of accounting.

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015

PROPORTIONATE SHARE OF NET PENSION LIABILITY	JUNE 30, 2014
School's proportion of the net pension liability	0.1061%
School's proportion of the net pension liability - dollar value	$ 390,535
School's covered employee payroll	$ 2,070,934
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	18.86%
Plan fiduciary net position as a percentage of the total pension liability	95.80%
CONTRIBUTIONS	
Contractually required contribution	$ 185,463
Contributions in relation to the contractually required contribution	197,981
Contribution excess	$ (12,518)
School's covered employee payroll	$ 2,070,934
Contributions as a percentage of covered-employee payroll	9.56%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SUPPLEMENTARY INFORMATION

LAS AMÉRICAS ASPIRA ACADEMY
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2015

	State Allocation	Local Funding	Federal Funding	Total
ASSETS				
Cash and pooled cash	$ 9,475	$ 1,247,190	$ -	$ 1,256,665
Accounts receivable	-	6,345	26,490	32,835
TOTAL ASSETS	$ 9,475	$ 1,253,535	$ 26,490	$ 1,289,500
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 7,741	$ 10,300	$ 3,413	$ 21,454
Accrued salaries and related costs	-	471,522	23,077	494,599
Security deposit payable	-	11,287	-	11,287
TOTAL LIABILITIES	7,741	493,109	26,490	527,340
FUND BALANCES				
Unassigned (Deficit)	1,734	760,426	-	762,160
TOTAL FUND BALANCES	1,734	760,426	-	762,160
TOTAL LIABILITIES AND FUND BALANCES	$ 9,475	$ 1,253,535	$ 26,490	$ 1,289,500

LAS AMÉRICAS ASPIRA ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	State Allocation	Local Funding	Federal Funding	Total
REVENUES				
Charges to school districts	$ -	$ 1,867,926	$ -	$ 1,867,926
State aid	3,676,294	-	-	3,676,294
Federal aid	-	-	278,610	278,610
Interest income	-	4,732	-	4,732
Food service revenue	-	56,286	131,306	187,592
Other local revenues	-	112,562	-	112,562
After care	-	117,783	-	117,783
Donations	-	832,551	-	832,551
Summer camp	-	42,763	-	42,763
TOTAL REVENUES	3,676,294	3,034,603	409,916	7,120,813
EXPENDITURES				
Current:				
Instruction	2,992,075	1,240,452	277,011	4,509,538
Operation and maintenance of facilities	244,341	335,097	-	579,438
Transportation	38,914	224,672	-	263,586
Food services	122,186	80,554	131,306	334,046
Capital outlays:				
Equipment	333,923	154,353	1,599	489,875
Debt service:				
Principal	111,700	144,898	-	256,598
Interest	-	154,835	-	154,835
TOTAL EXPENDITURES	3,843,139	2,334,861	409,916	6,587,916
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(166,845)	699,742	-	532,897
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease financing	167,906	83,790	-	251,696
Transfer out	-	(36,287)	-	(36,287)
TOTAL OTHER FINANCING SOURCES	167,906	47,503	-	215,409
NET CHANGE IN FUND BALANCES	1,061	747,245	-	748,306
FUND BALANCES, BEGINNING OF YEAR	673	13,181	-	13,854
FUND BALANCES, END OF YEAR	$ 1,734	$ 760,426	$ -	$ 762,160

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES BY NATURAL CLASSIFICATION - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

EXPENDITURES	
Current:	
Salaries	$ 2,856,613
Employment costs	1,254,368
Travel	17,312
Contractual services	472,228
Communications	9,610
Public utilities service	89,791
Insurance	18,723
Transportation - buses	263,586
Repairs and maintenance	108,011
Supplies and materials	596,366
Capital outlays:	
Property	6,325,009
Equipment	489,875
Debt service:	
Principal	1,062,302
Interest	158,921
TOTAL EXPENDITURES	$ 13,722,715

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

September 25, 2015

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

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 the governmental activities and each major fund of Las Américas ASPIRA Academy, Newark, Delaware, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Las Américas ASPIRA Academy's (the "School's") basic financial statements, and have issued our report thereon dated September 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Las Américas ASPIRA Academy'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School'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.

Board of Directors
Las Américas ASPIRA Academy

Compliance and Other Matters

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

Purpose of this Report

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

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP