LAS AMÉRICAS ASPIRA ACADEMY

(A Component Unit of the State of Delaware)

NEWARK, DELAWARE

FINANCIAL STATEMENTS

JUNE 30, 2021

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

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(A Component Unit of the State of Delaware)

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INDEPENDENT AUDITOR'S REPORT

September 29, 2021

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, 2021, 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.

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Board of Directors
Las Américas ASPIRA Academy

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting 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.

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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited Las Américas ASPIRA Academy's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated September 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 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 management's discussion and analysis on pages 4 through 12, and the budgetary comparison schedule - general fund, schedule of the School's proportionate share of the net pension liability, schedule of School pension contributions, schedule of the School's proportionate share of the net OPEB liability, and schedule of School OPEB contributions on pages 41 through 45 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.

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 the School's basic financial statements. The combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards, as required by the audit 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"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards 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, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards 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 29, 2021, on our consideration of the 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 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 School's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

MANAGEMENT’S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of Las Américas ASPIRA Academy ("the School") provides an overview of the School's financial activities for the year ended June 30, 2021, which was the School's tenth year of operations. The lower school is located at 326 Ruthar Drive, Newark, DE 19711, and the high school is located at 750 Otts Chapel Road, Newark, DE 19713. Please read this analysis in conjunction with the independent auditor's report and School's financial statements.

FINANCIAL HIGHLIGHTS

General revenues increased by 13.4 percent from $13,281,571 to $15,055,417 primarily due to an increase in state and local school district funding, both a direct result of the School's growing enrollment which went from 946 to 1060 students. The School's total liabilities increased by 15.5 percent, from $51,767,343 to $59,781,785.

USING THIS ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the School as a whole and then proceed to provide an increasingly detailed look at specific financial activities.

REPORTING THE SCHOOL AS A WHOLE

The Statement of Net Position and Statement of Activities

One of the most important questions asked about school finances is, "Is the School better or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the School as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the School's net position and the changes in net position. The change in net position provides the reader with a tool to assist in determining whether the School's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as student enrollment stability and facility conditions in arriving at a conclusion regarding the overall health of the School.

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

This analysis of the School's major funds and fund financial statements provides detailed information about the most significant funds - not the School as a whole. Some funds are required to be established by State statute, while many other funds are established by the School to help manage money for particular purposes and compliance with various grant provisions.

Governmental Funds

The School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources available to spend in the near future to finance the School's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements. Activities related to capital assets, long-term debt, and compensated absences are the primary reconciling items.

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $21,621,292 at the close of the fiscal year. Note the investment in capital assets is reported net of related debt and net of accumulated depreciation. The School uses capital assets to provide services; consequently, these assets are not available for future spending.

A comparative analysis of net position and changes in net position follows:

Table 1
NET POSITION
June 30, 2021 and 2020

	Governmental Activities	
	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash, pooled cash, and investments	$ 4,386,593	$ 2,814,882
Receivables	64,367	3,171
Deposits	30,000	30,000
Prepaid expenses	580	36,550
Total Current Assets	4,481,540	2,884,603
Noncurrent assets:		
Due from State	315,145	300,717
Capital assets, net of depreciation	22,124,036	22,664,201
Total Noncurrent Assets	22,439,181	22,964,918
Total Assets	26,920,721	25,849,521

Table 1
NET POSITION
June 30, 2021 and 2020

	Governmental Activities	
(cont'd)	2021	2020
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources - pension	2,512,267	2,545,106
Deferred outflows of resources - OPEB	13,296,855	8,473,687
Total Deferred Outflows of Resources	15,809,122	11,018,793
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 42,729,843	$ 36,868,314
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT		
Current liabilities:		
Accounts payable	$ 269,235	$ 342,524
Accrued salaries and related costs	1,445,362	1,331,152
Unearned revenue	1,600	1,600
Bonds payable	370,129	350,129
Notes payable	-	66,667
Total Current Liabilities	2,086,326	2,092,072
Noncurrent liabilities:		
Compensated absences	525,242	450,539
Bonds payable	21,263,739	21,633,868
Notes payable	1,500,000	1,583,333
Net pension liability	4,180,653	4,347,423
Net OPEB liability	30,225,825	21,660,108
Total Noncurrent Liabilities	57,695,459	49,675,271
Total Liabilities	59,781,785	51,767,343
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources - pension	739,005	31,910
Deferred inflows of resources - OPEB	3,830,345	4,771,711
Total Deferred Inflows of Resources	4,569,350	4,803,621
NET POSITION (DEFICIT):		
Net investment in capital assets	(1,009,832)	(969,796)
Unrestricted (deficit)	(20,611,460)	(18,732,854)
Total Net Deficit	(21,621,292)	(19,702,650)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT	$ 42,729,843	$ 36,868,314

Table 2
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2021 and 2020

	Governmental Activities	
	2021	2020
REVENUES		
General revenues:		
Charges to school districts	$ 5,163,310	$ 4,333,990
Payments from primary government	9,733,792	8,677,391
Other local revenue	84,419	127,623
Interest income	73,896	142,567
Total General Revenues	15,055,417	13,281,571
Program revenues:		
Charges for services	694,302	545,745
Operation grants and contributions	2,768,984	1,183,848
Capital grants and contributions	215,406	793,215
Total Program Revenues	3,678,692	2,522,808
TOTAL REVENUES	18,734,109	15,804,379
EXPENSES		
Instructional services	14,186,708	12,206,370
Support services:		
Operation and maintenance of facilities	3,745,089	2,465,434
Transportation	1,061,573	975,556
Food service	652,381	747,428
Interest on long-term debt	1,007,000	1,031,488
TOTAL EXPENSES	20,652,751	17,426,276
Change in Net Deficit	$ (1,918,642)	$ (1,621,897)

Governmental Activities

Net position of the School's governmental activities decreased by $1,918,642, and unrestricted net position reflects a negative balance of $20,611,460.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The next table reflects the cost of program services and the net cost of those services after taking into account the program revenues for governmental activities. General revenues that include charges to school districts, investment earnings, and state entitlements must support the net cost of the School's programs.

	2021		2020	
	Total Cost	Net Cost	Total Cost	Net Cost
Governmental Activities:				
Instructional services	$ 14,186,708	$ 11,003,749	$ 12,206,370	$ 9,986,175
Support services:				
Operation and maintenance of facilities	3,745,089	3,745,089	2,465,434	2,465,434
Transportation	1,061,573	1,061,573	975,556	975,556
Food service	652,381	156,648	747,428	444,815
Interest on long-term debt	1,007,000	1,007,000	1,031,488	1,031,488
Total Expenses	$ 20,652,751	$ 16,974,059	$ 17,426,276	$ 14,903,468

The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for $16,974,059 of support.

THE SCHOOL'S FUNDS

The School's governmental funds (as presented on the balance sheet) reported a combined fund balance of $2,765,343, compared to last year's total of $1,209,327. The schedule below indicates the fund balance as of June 30, 2021 and 2020 and the change in fund balance for the year ended June 30, 2021.

	Governmental Funds		
	2021	2020	Change
FUND BALANCES			
Nonspendable	$ 580	$ 36,550	$ (35,970)
Restricted	1,421,455	1,452,552	(31,097)
Unassigned (deficit)	1,343,308	(279,775)	1,623,083
TOTAL FUND BALANCES	$ 2,765,343	$ 1,209,327	$ 1,556,016

Governmental Funds

The School's fund balances decrease is due to a variety of factors. The table that follows assists in illustrating the financial activities and balance of governmental funds.

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	2021	2020
REVENUES		
Charges to school districts	$ 5,163,310	$ 4,333,990
State aid	9,719,364	8,628,813
Federal aid	2,020,205	1,410,778
Interest income	28,767	97,438
Food service revenue	6,355	126,743
Other local revenues	167,411	139,794
After care	519,459	492,727
Donations	874,528	427,371
Summer camp	25,153	53,018
TOTAL REVENUES	18,524,552	15,710,672
EXPENDITURES		
Current:		
Instruction	10,484,483	9,541,985
Operation and maintenance of facilities	3,128,302	2,740,936
Transportation	1,061,573	975,556
Food service	671,215	747,428
Capital outlays:		
Property	54,855	2,097,812
Equipment	256,108	326,980
Debt service:		
Principal	305,000	290,000
Interest	1,007,000	1,025,125
Bond issuance costs	-	6,363
TOTAL EXPENDITURES	16,968,536	17,752,185
OTHER FINANCING SOURCES (USES)		
Issuance of debt	-	1,650,000
TOTAL OTHER FINANCING SOURCES (USES)	-	1,650,000
NET CHANGE IN FUND BALANCES	1,556,016	(391,513)
FUND BALANCES, BEGINNING OF YEAR	1,209,327	1,600,840
FUND BALANCES, END OF YEAR	$ 2,765,343	$ 1,209,327

The largest revenue reported by the School for the year was for aid received from the State of Delaware, accounting for 52.5 percent of total revenues. Charges to local school districts for students attending the School was also significant, accounting for 27.9 percent.

The largest portion of general fund expenditures is for personnel costs, which include salaries and related employment costs. The School is a service-oriented organization, and as such, is very labor intensive.

GENERAL FUND BUDGET INFORMATION

The School's budget is prepared on the modified accrual basis of accounting. The most significant budgeted fund is the general fund. The School may amend its revenue and expenditure estimates periodically due to changing conditions. The School operates on a preliminary operating budget for the first half of the year and a final operating budget the second half of the year once the September 30 unit count is verified by the authorizer.

The following are explanations for the more significant variances between budget versus actual revenues and expenditures as projected on the fiscal year 2021 final operating budget.

Revenues

State Revenue

A favorable variance of $39,396 is attributable primarily to adjustments to final state funding.

Other Local Revenue

An unfavorable variance of $897,471 is the school budgeting the issuances of debt in other local revenue.

Federal Revenue

A favorable variance of $1,055,237 is attributable primarily to receiving more funding because of the COVID-19 pandemic.

Expenditures

Salaries and Employment Costs

A combined favorable variance of $24,025 is a result of over projecting salaries, health insurance, and other employment costs on a cash accounting method for the period of July 1, 2020 through June 30, 2021.

Contracted Services

Contractual services finished with an unfavorable variance of $677,235 that was primarily attributable to additional Chromebook and Laptop leases to support the hybrid-learning model.

Supplies and Materials

Supplies and materials finished with an unfavorable variance of $252,501. The increase in expense is attributable to more COVID-19 related supplies being bought in the current year.

Capital Outlay

The combined favorable variance for capital outlay for equipment and property of $1,453,180 is a result of over projecting equipment costs.

General Fund

As of June 30, 2021, the School had a general fund balance of $1,343,888. This was a increase of $1,587,113 from the prior year. The biggest contributors to the increase in fund balance are the increase in federal funding, after care revenue, and donations, offset by increases in contractual services related to COVID-19.

Capital Projects Fund

As of June 30, 2021, the School had a capital projects fund balance of $1,421,455. This was a decrease of $31,097 from the prior year. The School pays for its revenue bonds out of this fund. The School reported expenditures of $1,312,000 in 2020 - 2021. These expenditures were related to debt service payments.

CAPITAL ASSETS

The School has $22,124,036 in net capital assets. Acquisitions for governmental activities totaled $927,489, and depreciation was $1,467,654. Detailed information regarding capital asset activity is included in Note 4 to the financial statements.

DEBT ADMINISTRATION

As of June 30, 2021, the School had total outstanding debt of $23,133,868 in the form of revenue bonds and notes payable issued for the purpose of refinancing previous debt and financing building improvements (Phase IV Construction).

Other obligations include accrued vacation pay, sick leave for School employees, net pension liability, and net OPEB liability. More detailed information about long-term liabilities is included in Note 5 to the financial statements.

FACTORS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS

Fiscal year 2021 was the tenth year of operation as a Delaware Public Charter K-8 School and first year operating a second campus, thus the opening of our high school. The School's enrollment is now at

1,060 with a planned enrollment of 1,547 K-12 students by fiscal year 2025. The Delaware Department of Education granted approval for us to expand to a high school, which opened in August 2020. The new campus is located at 750 Otts Chapel Rd, Newark, DE 19713. In fiscal year 2021, we successfully completed a second phase of construction, which added four new classrooms and a hallway. We plan to undergo one final phase of construction over the next two years to complete the entire fit out of the new campus. We will continue to seek outside revenue streams to support our capital expansion. Additionally, larger enrollment will result in an increase in state and local district revenues, as well as an increase in operating expenses at both school campuses.

The financial model the School has developed is based on the funding formula currently in effect under the Delaware Charter School Law. If the funding formula for charter schools changes, adjustments to the underlying assumptions of the model will be made.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our fellow citizens, customers, investors, and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the School's Chief Operating Officer at (302) 292-1463, Ext. 203.

BASIC FINANCIAL STATEMENTS

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and pooled cash	$ 2,965,138	$ 1,362,330
Investments	1,421,455	1,452,552
Accounts receivable	64,367	3,171
Deposits	30,000	30,000
Prepaid expenses	580	36,550
Total Current Assets	4,481,540	2,884,603
NONCURRENT ASSETS:		
Due from State	315,145	300,717
Land	529,959	529,959
Construction-in-progress	-	2,953,761
Depreciable capital assets, net	21,594,077	19,180,481
Total Noncurrent Assets	22,439,181	22,964,918
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension	2,512,267	2,545,106
Deferred OPEB	13,296,855	8,473,687
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,809,122	11,018,793
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 42,729,843	$ 36,868,314
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 269,235	$ 342,524
Accrued salaries and related costs	1,445,362	1,331,152
Unearned summer camp fees	1,600	1,600
Bonds payable, net	370,129	350,129
Notes payable	-	66,667
Total Current Liabilities	2,086,326	2,092,072
NONCURRENT LIABILITIES:		
Compensated absences	525,242	450,539
Bonds payable, net	21,263,739	21,633,868
Notes payable	1,500,000	1,583,333
Net pension liability	4,180,653	4,347,423
Net OPEB liability	30,225,825	21,660,108
Total Noncurrent Liabilities	57,695,459	49,675,271
TOTAL LIABILITIES	59,781,785	51,767,343
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension	739,005	31,910
Deferred OPEB	3,830,345	4,771,711
TOTAL DEFERRED INFLOWS OF RESOURCES	4,569,350	4,803,621
NET DEFICIT:		
Net investment in capital assets	(1,009,832)	(969,796)
Unrestricted (deficit)	(20,611,460)	(18,732,854)
TOTAL NET DEFICIT	(21,621,292)	(19,702,650)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT	$ 42,729,843	$ 36,868,314

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

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Comparative Data for the Year Ended June 30, 2020)

		Program Revenues			Net (Expense) Revenue and Changes in Net Deficit	
			Operating	Capital	Totals	
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	2021	2020
GOVERNMENTAL ACTIVITIES						
Instructional services	$ (14,186,708)	$ 688,023	$ 2,279,530	$ 215,406	$ (11,003,749)	$ (9,986,175)
Support services:						
Operation and maintenance of facilities	(3,745,089)	-	-	-	(3,745,089)	(2,465,434)
Transportation	(1,061,573)	-	-	-	(1,061,573)	(975,556)
Food service	(652,381)	6,279	489,454	-	(156,648)	(444,815)
Interest on long-term debt and issuance fees	(1,007,000)	-	-	-	(1,007,000)	(1,031,488)
TOTAL GOVERNMENTAL ACTIVITIES	$ (20,652,751)	$ 694,302	$ 2,768,984	$ 215,406	(16,974,059)	(14,903,468)
GENERAL REVENUES						
Charges to school districts					5,163,310	4,333,990
State aid not restricted to specific purposes					9,733,792	8,677,391
Other local revenues					84,419	127,623
Interest income					73,896	142,567
TOTAL GENERAL REVENUES					15,055,417	13,281,571
CHANGE IN NET DEFICIT					(1,918,642)	(1,621,897)
NET DEFICIT, BEGINNING OF YEAR					(19,702,650)	(18,080,753)
NET DEFICIT, END OF YEAR					$ (21,621,292)	$ (19,702,650)

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

LAS AMÉRICAS ASPIRA ACADEMY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021
(With Summarized Comparative Data for June 30, 2020)

	General Fund	Capital Projects Fund	Total Government Funds 2021	Total Government Funds 2020
ASSETS:				
Cash and pooled cash	$ 2,965,138	$ -	$ 2,965,138	$ 1,362,330
Investments	-	1,421,455	1,421,455	1,452,552
Accounts receivable	64,367	-	64,367	3,171
Deposit	30,000	-	30,000	30,000
Prepaid expenditures	580	-	580	36,550
TOTAL ASSETS	$ 3,060,085	$ 1,421,455	$ 4,481,540	$ 2,884,603
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ 269,235	$ -	$ 269,235	$ 342,524
Accrued salaries and related costs	1,445,362	-	1,445,362	1,331,152
Unearned summer camp fees	1,600	-	1,600	1,600
TOTAL LIABILITIES	1,716,197	-	1,716,197	1,675,276
FUND BALANCES:				
Nonspendable	580	-	580	36,550
Restricted	-	1,421,455	1,421,455	1,452,552
Unassigned (deficit)	1,343,308	-	1,343,308	(279,775)
TOTAL FUND BALANCES	1,343,888	1,421,455	2,765,343	1,209,327
TOTAL LIABILITIES AND FUND BALANCES	$ 3,060,085	$ 1,421,455	$ 4,481,540	$ 2,884,603

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
JUNE 30, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 2,765,343
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.		22,124,036
Long-term assets applicable to governmental activities are not due and receivable in the current period and, therefore, are not reported as fund assets.		
Due from State of Delaware		315,145
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	$ (525,242)	
Net pension liability	(4,180,653)	
Net OPEB liability	(30,225,825)	
Notes payable	(1,500,000)	
Bonds payable in future years, net	(21,633,868)	(58,065,588)
Deferred inflows of resources and deferred outflows of resources 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, changes in assumptions, differences in actual and expected experience, 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	2,512,267	
Deferred inflows - pension	(739,005)	1,773,262
Deferred inflows and outflows of resources related to the School's net OPEB 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 returns, changes in the actuarially determined proportion of the School's amount of the total OPEB liability, changes in assumptions, differences in actual and expected experience, and OPEB contributions made after the measurement date of the net OPEB liability. These amounts will be amortized over the estimated remaining average service life of the employees.		
Deferred outflows - OPEB	13,296,855	
Deferred inflows - OPEB	(3,830,345)	9,466,510
TOTAL NET DEFICIT - GOVERNMENTAL ACTIVITIES		$ (21,621,292)

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

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Comparative Data for the Year Ended June 30, 2020)

	General Fund	Capital Projects Fund	Total Governmental Funds 2021	Total Governmental Funds 2020
REVENUES				
Charges to school districts	$ 5,163,310	$ -	$ 5,163,310	$ 4,333,990
State aid	9,719,364	-	9,719,364	8,628,813
Federal aid	2,020,205	-	2,020,205	1,410,778
Interest income	28,217	550	28,767	97,438
Food service revenue	6,355	-	6,355	126,743
Other local revenues	167,411	-	167,411	139,794
After care	519,459	-	519,459	492,727
Donations	874,528	-	874,528	427,371
Summer camp	25,153	-	25,153	53,018
TOTAL REVENUES	18,524,002	550	18,524,552	15,710,672
EXPENDITURES				
Current:				
Instruction	10,484,483	-	10,484,483	9,541,985
Operation and maintenance of facilities	3,128,302	-	3,128,302	2,740,936
Transportation	1,061,573	-	1,061,573	975,556
Food services	671,215	-	671,215	747,428
Capital outlays:				
Property	54,855	-	54,855	2,097,812
Equipment	256,108	-	256,108	326,980
Debt service:				
Principal	-	305,000	305,000	290,000
Interest	-	1,007,000	1,007,000	1,025,125
Bond issuance cost	-	-	-	6,363
TOTAL EXPENDITURES	15,656,536	1,312,000	16,968,536	17,752,185
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,867,466	(1,311,450)	1,556,016	(2,041,513)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	1,650,000
Transfers in (out)	(1,280,353)	1,280,353	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,280,353)	1,280,353	-	1,650,000
NET CHANGE IN FUND BALANCES	1,587,113	(31,097)	1,556,016	(391,513)
FUND BALANCES, BEGINNING OF YEAR	(243,225)	1,452,552	1,209,327	1,600,840
FUND BALANCES, END OF YEAR	$ 1,343,888	$ 1,421,455	$ 2,765,343	$ 1,209,327

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 1,556,016
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 $5,000 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	$ 927,489	
Depreciation expense	(1,467,654)	(540,165)
Some revenues reported in the statement of activities are not available to finance current expenditures and, therefore, are not reported as revenues in the governmental funds.		14,428
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. In addition, bond premiums are reported as other financing sources; however, these amounts are reported on the statement of net position as deferred charges and amortized over the life of the debt.		
Principal repayments	455,000	
Amortization of bond premium	45,129	500,129
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		(74,703)
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 School'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.		(573,164)
OPEB expenses in the statement of activities differ from the amount reported in the governmental funds because OPEB expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing OPEB plan, whereas OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.		(2,801,183)
CHANGE IN NET DEFICIT - GOVERNMENTAL ACTIVITIES		$ (1,918,642)

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

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 on 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 ("the School") have been prepared in conformity with accounting principles generally accepted in the United States of America 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 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

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

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.

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.

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

- **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, debt service, and procurement of equipment necessary for providing educational programs for all students within the School.

Cash and Pooled Cash

The School's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, as well as cash deposits held in an investment pool controlled by the personnel of the State Treasurer's Office in Dover, Delaware.

Investments

Investments are recorded at fair value.

In establishing the fair value of investments, the School uses the following hierarchy. The lowest level of valuation available is used for all investments.

Level 1 – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Receivables

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

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 $5,000 and an estimated useful life in excess of one year.

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

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.

Building and 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	22 - 40 years
Furniture and fixtures	3 years
Equipment	5 years

Deferred Inflows and 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 and OPEB contributions resulting from pension and OPEB contributions subsequent to the measurement date of the net pension and OPEB liabilities and certain other items which represent differences related to changes in the net pension and OPEB liabilities 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 and OPEB liabilities 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 expenditures.

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.

NOTE 1 <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (cont'd)

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 $525,242 at June 30, 2021, of which $315,145 was reimbursable by the State of Delaware.

<u>Fund Equity</u>

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 the School. 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 unassigned 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 or Head of School has provided otherwise in its commitment or assignment actions.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Any remaining portions of net position are reflected as unrestricted. 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

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The School did not engage in any unrelated business activities during the fiscal year. Management believes more likely than not that its tax-exempt status and tax positions will be sustained if examined by authorities.

Use of Estimates in the Preparation of Financial Statements

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

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 accounting principles generally accepted in the United States of America and, therefore, should be read in conjunction with the School's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 2 CASH, POOLED CASH, AND INVESTMENTS

Deposits

At June 30, 2021, the School had a cash and pooled cash balance of $2,965,138. Of those amounts, $2,964,258 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, 2021, the reported amount of the School's deposits outside of the State Treasurer's Office was $880 and the bank balance was $880, all of which was covered by federal depository insurance.

Investments

State statutes authorize the School to invest in U.S. government securities, government agency securities, certificates of deposit, time deposits and bankers acceptances, corporate debt instruments, money market funds, and other similar instruments that are insured by the Federal Deposit Insurance Corporation ("FDIC") or are backed by the full faith and credit of the United States of America or any of its agencies or instrumentalities.

The School categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The School has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Fair Value	Level 2
Money Market Mutual Fund	$ 1,421,455	$ 1,421,455
TOTAL	$ 1,421,455	$ 1,421,455

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of June 30, 2021, none of the School's investments were subject to custodial credit risk.

NOTE 2 CASH, POOLED CASH, AND INVESTMENTS (cont'd)

Interest Rate Risk

The School does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, to ensure that its assets remain liquid enough to satisfy its current obligations, at June 30, 2021, all of the School's investments had maturity dates of less than one year.

Credit Risk

The School has no investment policy that would limit its investment choices to those with certain credit ratings.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable represent receivables for revenues earned by the School. At June 30, 2021, receivables are as follows:

Description	
Passed through the State of Delaware:	
Federal government	$ 16,730
Other receivables:	
Miscellaneous receivables	47,637
Total accounts receivable	$ 64,367

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 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	2,953,761	-	2,953,761	-
Total general capital assets not being depreciated	3,483,720	-	2,953,761	529,959

NOTE 4 CAPITAL ASSETS (cont'd)

(cont'd)	Beginning Balances	Additions	Deletions	Ending Balances
General capital assets being depreciated:				
Building and improvements	20,909,340	3,587,197	-	24,496,537
Furniture and equipment	2,206,805	294,053	-	2,500,858
Total general capital assets being depreciated	23,116,145	3,881,250	-	26,997,395
Accumulated depreciation	3,935,664	1,467,654	-	5,403,318
Total general capital assets being depreciated, net	19,180,481	2,413,596	-	21,594,077
Governmental Activities, Net	$ 22,664,201	$ 2,413,596	$ (2,953,761)	$ 22,124,036

Depreciation expense was charged to the following governmental activities:

Instructional services	$ 253,175
Operation and maintenance of facilities	1,214,479
	$1,467,654

NOTE 5 LONG-TERM DEBT

During the year ended June 30, 2017, the School issued revenue bonds, Series A and Series B of 2016 in the amounts of $20,125,000 and $900,000, respectively, in order to repay the balances of the three notes issued in 2015 and fund ongoing construction. The bonds are subject to certain financial covenants, which were met in the current fiscal year.

The Series A of 2016 bonds bear interest ranging from 3.25 percent to 5.00 percent, maturing June 1, 2026 to June 1, 2051, with interest payable on December 1 and June 1.

The Series B of 2016 bonds bear interest at 6.25 percent and mature on June 1, 2022, with interest payable on December 1 and June 1.

During the year ended June 30, 2020, the School issued notes payable in the amounts of $1,000,000 and $500,000 to finance construction of the new building. The notes bear interest at eight percent per annum, and interest is payable monthly. The notes are due in full on March 1, 2025. The notes are secured by liens against the School's building.

On April 20, 2020, the School was granted a loan ("the Loan") from WSFS Bank in the aggregate amount of $150,000 pursuant to the Paycheck Protection Program ("the PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

NOTE 5 LONG-TERM DEBT (cont'd)

The Loan, which was in the form of a Note dated April 20, 2020 issued by the School, matures on April 15, 2022 and bears interest at a rate of 1.00 percent per annum, payable monthly commencing on November 15, 2020. The Note may be prepaid by the School at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The School intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. In fiscal year ended June 30, 2021, the Loan was forgiven and the is represented as a retirement in the table below.

A schedule of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	Amounts Outstanding 7/1/2020	Additions	Retirements	Amounts Outstanding 6/30/2021	Due Within One Year
Governmental Activities:					
Bond payable	$20,585,000	$ -	$ 305,000	$20,280,000	$ 325,000
Bond premium	1,398,997	-	45,129	1,353,868	45,129
Notes payable	1,650,000	-	150,000	1,500,000	-
Net pension liability	4,347,423	-	166,770	4,180,653	-
Net OPEB liability	21,660,108	8,565,717	-	30,225,825	-
Compensated absences	450,539	74,703	-	525,242	-
Total Governmental Activities	$50,092,067	$8,640,420	$ 666,899	$58,065,588	$ 370,129

Payment of the bond payable is expected to be refunded by the capital projects fund, and all other liabilities are expected to be funded by the general fund.

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

Description	Amount of Original Issue	Interest Rate	Maturity Date	Balance June 30, 2021
Series A of 2016	$20,125,000	3.25% - 5.00%	Annually	$ 20,125,000
Series B of 2016	900,000	6.25%	Annually	155,000
Bonds payable, at face				20,280,000
Unamortized premium				1,353,868
Bonds payable, net				$ 21,633,868
Amounts due in one year				$ 370,129
Amounts due after one year				21,263,739
				$ 21,633,868

NOTE 5 LONG-TERM DEBT (cont'd)

The total principal and interest maturities as of June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 325,000	$ 1,107,938	$ 1,432,938
2023	340,000	1,092,725	1,432,725
2024	350,000	1,081,675	1,431,675
2025	1,865,000	1,070,300	2,935,300
2026	375,000	938,437	1,313,437
2027 - 2031	2,150,000	4,426,250	6,576,250
2032 - 2036	2,735,000	3,833,500	6,568,500
2037 - 2041	3,500,000	3,076,750	6,576,750
2042 - 2046	4,455,000	2,111,500	6,566,500
2047 - 2051	5,685,000	880,250	6,565,250
Total	$ 21,780,000	$ 19,619,325	$ 41,399,325

NOTE 6 FUND BALANCES

As of June 30, 2021, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:			
Prepaid expenditures	$ 580	$ -	$ 580
Restricted:			
Capital projects	-	4,455	4,455
Repair and replacement	-	100,000	100,000
Building expansion	-	1,317,000	1,317,000
Unassigned deficit	1,343,308	-	1,343,308
Total Fund Balances	$ 1,343,888	$ 1,421,455	$ 2,765,343

NOTE 7 INTERNAL TRANSFERS

Interfund balances between funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. There were no balances as of June 30, 2021. There was one transfer during the year. The general fund transferred $1,280,353 to the capital projects fund to fund current year principal and interest payments on long-term debt.

NOTE 8 LEASING ARRANGEMENTS

Operating Lease – Lessee

The School leases copier equipment, computer, iPads, and related accessories through twelve operating lease agreements. The School has entered into these lease agreements at different times during fiscal years 2017, 2018, 2019, 2020, and 2021. Three of the leases expired this fiscal year, while the remaining leases expire at varying times in June 2022, July 2022, September 2022, January 2023, March 2023, April 2023, May 2024, and August 2024. Total expense paid under these lease agreements was $738,515 for the year ended June 30, 2021.

At June 30, 2021, the minimum future rental payments under noncancelable leasing arrangements for the remaining years and in the aggregate are as follows:

Year Ending June 30,	
2022	$ 687,785
2023	642,231
2024	446,320
2025	67,351
	$ 1,843,687

NOTE 9 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, 2021. 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.

NOTE 9 PENSION PLAN (cont'd)

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 (Pre-2012), and 2) employees hired on or after January 1, 2012 (Post-2011).

Benefits Provided

Service Benefits

Final average monthly compensation (employees hired Post-2011 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.

Vesting

Pre-2012 date of hire employees vest in the plan after five years of credited service. Post-2012 date of hire employees vest in the plan after ten years of credited service.

Retirement

Pre-2012 date of hire employees 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. Post-2012 date of hire employees 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 Pre-2012 date of hire employees 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. Post-2012 date of hire employees 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).

NOTE 9 PENSION PLAN (cont'd)

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

Pre-2012 date of hire employees contribute three percent of earnings in excess of $6,000. Post-2012 date of hire employees contribute five percent of earnings in excess of $6,000.

Employer Contributions

Employer contributions are determined by the Board. For the year ended June 30, 2021, the rate of the employer contribution was 12.33 percent of covered payroll. The School's contribution to PERS for the year ended June 30, 2021 was $854,373.

PRI Contribution

All reporting units participating in the State PERS make contributions to a PRI fund which accumulates resources to fund ad hoc postretirement 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, 2021, the School reported a liability of $4,180,653 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. The School's proportion of the net pension liability was calculated based on the actual contributions made during the measurement period in proportion to the total of all employer contributions made during the measurement period. At June 30, 2020, the School's proportion was 0.2974 percent, which was an increase of 0.0182 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized pension expense of $1,427,537. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9 PENSION PLAN (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ 726,445
Changes in proportions	820,024	-
Changes in assumptions	292,862	-
Differences between actual and expected experience	545,008	12,560
Contributions subsequent to the date of measurement	854,373	-
	$ 2,512,267	$ 739,005

An amount of $854,373 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the June 30, 2020 measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:

Year Ending June 30,	
2022	$ 107,018
2023	215,503
2024	268,249
2025	116,356
2026	212,763
	$ 918,889

Actuarial Assumptions

The total pension liability as of the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, and update procedures were used to roll forward the total pension liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions, applied to all periods:

- Investment return – 7.0 percent, including inflation of 2.5 percent
- Salary increases – 2.5 percent + merit, including inflation of 2.5 percent
- Cost-of-living adjustments – ad hoc

NOTE 9 PENSION PLAN (cont'd)

The total pension liabilities are measured based on assumptions pertaining to interest rates, inflation rates, and employee demographic behavior in future years. 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-2014 Combined Mortality Table projected to 2017 using an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

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 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	Target Asset Allocation
Domestic equity	5.7%	28.5%
International equity	5.7%	15.2%
Fixed income	2.0%	28.8%
Alternative investments	7.8%	23.0%
Cash and equivalents	0.0%	4.5%

Discount Rate

The discount used to measure the total pension liability was 7.0 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, as actuarially determined. Based on those assumptions, the

NOTE 9 PENSION PLAN (cont'd)

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 7.0 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 (6.0 percent) or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
School's proportionate share of the net pension liability	$ 8,026,935	$ 4,180,653	$ 939,456

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 10 OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Other Postemployment Benefits ("OPEB") Fund Trust ("the Plan"), which is a cost-sharing, multiple-employer defined benefit plan 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 DPERS Board of Pension Trustees, which acts as the Board of Trustees ("the Board") for the Plan and is responsible for the financial management of the Plan.

The following are brief descriptions of the Plan in effect as of June 30, 2021. For a more complete description, please refer to the Delaware Public Employees' Retirement System Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

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 Plan is a cost-sharing multiple employer plan that covers all employees of the State that are eligible to participate in the defined benefit pension plan, including employees of other affiliated entities.

Benefits Provided

The Plan provides medical coverage to pensioners and their eligible dependents. The participant's cost of Plan benefits is variable based on years of service. Pensioners who retire after July 1, 2012 and who become eligible for Medicare will pay an additional five percent of the Medicare Supplement offered by the State. Surviving spouses are eligible for coverage after a retiree's death.

Contributions

Employer Contributions

Participating employers fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. For the year ended June 30, 2021, the rate of the employer contribution was 11.80 percent of covered payroll. The School's contribution to the Plan for the year ended June 30, 2021 was $817,824.

Other Postemployment Benefits Plan Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2021, the School reported a liability of $30,225,825 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the Plan's total OPEB liability as of June 30, 2019 to June 30, 2020. The School's proportion of the net OPEB liability was calculated based on the actual contributions made during the measurement period in proportion to the total of all employer contributions made during the measurement period. At June 30, 2020, the School's proportion was 0.2903 percent, which was an increase of 0.0185 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized OPEB expense of $3,619,007. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ 33,578
Changes in proportions	6,490,133	-
Changes in assumptions	5,111,273	1,719,062
Net difference between projected and actual experience	877,625	2,077,705
Contributions subsequent to the date of measurement	817,824	-
	$13,296,855	$ 3,830,345

An amount of $817,824 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the June 30, 2020 measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB, and will be recognized in OPEB expense as follows:

Year Ending June 30,	
2022	$ 1,242,874
2023	1,254,738
2024	1,820,378
2025	2,015,106
2026	2,315,590
	$ 8,648,686

Actuarial Assumptions

The total OPEB liability as of the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, and update procedures were used to roll forward the total pension liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions:

- Discount rate – 2.21 percent
- Salary increases – 3.25 percent + merit
- Healthcare cost trend rates – 5.60 percent

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Mortality rates were based on the Sex Distinct RP-2014 Total Dataset Healthy Annuitant Mortality Table, including adjustment for healthy annuitant and disabled annuitant. Future mortality improvements are projected to 2020.

The total OPEB 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 2016. 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.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent at the beginning of the current measurement period and 2.21 percent at the end, based on the Bond Buyer GO 20-Bond Municipal Bond Index, an index satisfying the GASB requirement of an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rates used at the June 30, 2020 and 2019 measurement date are equal to the applicable rate of the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

The following presents the net OPEB liability, calculated using the discount rate of 2.21 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21 percent) or one percentage point higher (3.21 percent) than the current rate.

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
School's proportionate share of the net OPEB liability	$ 36,232,155	$ 30,225,825	$ 25,532,898

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, calculated using the healthcare cost trend rate of 5.6 percent, as well as what the net OPEB liability would be if it were calculated using a

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

healthcare cost trend rate that is one percentage point lower (4.6 percent) or one percentage point higher (6.6 percent) than the current rate.

	1% Decrease 4.6%	Current Healthcare Trend Rate 5.6%	1% Increase 6.6%
School's proportionate share of the net OPEB liability	$ 28,362,510	$ 30,225,825	$ 33,067,698

Plan Fiduciary Net Position

Detailed information about the Plan's 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 11 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, 2021. There was no significant reduction in coverage compared to the prior year.

NOTE 12 EXCESS EXPENDITURES OVER APPROPRIATIONS

The School overspent budgetary appropriations in the following categories:

Contractual services	$	677,235
Repairs and maintenance	$	11,739
Supplies and materials	$	252,501
Student activities	$	1,691
Capital outlays - equipment	$	38,473

The excess expenditures were covered by other expenditure categories that were less than their budgeted appropriation.

NOTE 13 UNCERTAINTIES

As a result of the spread of the COVID-19 coronavirus which is ongoing at June 30, 2021, economic and operational uncertainties have arisen which may impact the School in fiscal year 2022. While the School has fully resumed in-class learning, there continues to be uncertainty

NOTE 13 UNCERTAINTIES (cont'd)

regarding the potential for another resurgence of the virus, which may require another period of remote or hybrid learning. The extent of the potential impact is unknown as the COVID-19 pandemic continues to develop.

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.

NOTE 14 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amount of $20,611,460 includes the effect of deferring the recognition of pension and OPEB contributions made subsequent to the measurement date of the net pension liability and net OPEB liability, and the deferred outflows related to the pension and OPEB plans. This is offset by the School's actuarially determined pension liability and OPEB liability, and the deferred inflows related to the pension and OPEB plans.

NOTE 15 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through September 29, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LAS AMÉRICAS ASPIRA ACADEMY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges to school districts	$ 4,216,510	$ 5,002,564	$ 5,163,310	$ 160,746
State aid	9,266,525	9,679,968	9,719,364	39,396
Federal aid	964,806	964,968	2,020,205	1,055,237
Interest income	-	-	28,217	28,217
Food service revenue	153,831	153,900	6,355	(147,545)
Other local revenues	869,838	1,064,882	167,411	(897,471)
After care	131,771	40,000	519,459	479,459
Donations	29,000	515,500	874,528	359,028
Summer camp	27,300	27,300	25,153	(2,147)
TOTAL REVENUES	15,659,581	17,449,082	18,524,002	1,074,920
EXPENDITURES				
Current:				
Salaries	6,532,564	7,077,015	7,076,381	634
Employment costs	3,702,036	3,851,519	3,828,128	23,391
Travel	12,000	16,500	7,469	9,031
Contractual services	1,600,300	2,301,975	2,979,210	(677,235)
Communications	21,000	24,000	18,566	5,434
Public utilities service	210,950	233,950	213,971	19,979
Insurance	70,000	70,000	58,960	11,040
Transportation - buses	1,049,240	1,062,171	111,047	951,124
Repairs and maintenance	85,000	92,000	103,739	(11,739)
Supplies and materials	729,375	815,900	1,068,401	(252,501)
Student activities	15,500	15,500	17,191	(1,691)
Capital outlays:				
Property	1,482,503	1,491,653	-	1,491,653
Equipment	145,000	135,000	173,473	(38,473)
TOTAL EXPENDITURES	15,655,468	17,187,183	15,656,536	1,530,647
EXCESS OF REVENUES OVER EXPENDITURES	4,113	261,899	2,867,466	2,605,567
OTHER FINANCING USES				
Transfer out	-	-	(1,280,353)	(1,280,353)
TOTAL OTHER FINANCING USES	-	-	(1,280,353)	(1,280,353)
NET CHANGE IN FUND BALANCE	4,113	261,899	1,587,113	1,325,214
FUND BALANCE, BEGINNING OF YEAR	(243,225)	(243,225)	(243,225)	-
FUND BALANCE (DEFICIT), END OF YEAR	$ (239,112)	$ 18,674	$ 1,343,888	$ 1,325,214

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

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE OF DELAWARE EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

	MEASUREMENT DATE						
PROPORTIONATE SHARE OF NET PENSION LIABILITY	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2014
School's proportion of the net pension liability	0.2974%	0.2792%	0.2395%	0.1910%	0.1756%	0.1409%	0.1061%
School's proportion of the net pension liability - dollar value	$ 4,180,653	$ 4,347,423	$ 3,092,441	$ 2,800,443	$ 2,646,247	$ 937,416	$ 390,535
School's covered employee payroll	$ 6,411,405	$ 5,794,303	$ 4,754,194	$ 3,721,305	$ 3,349,061	$ 2,627,918	$ 1,939,990
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	65.21%	75.03%	65.05%	75.25%	79.01%	35.67%	20.13%
Plan fiduciary net position as a percentage of the total pension liability	87.27%	85.41%	87.49%	85.31%	84.11%	92.67%	95.80%

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.

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF SCHOOL PENSION CONTRIBUTIONS
STATE OF DELAWARE EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

CONTRIBUTIONS	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016	JUNE 30, 2015
Contractually required contribution	$ 854,373	$ 766,804	$ 685,466	$ 495,387	$ 356,501	$ 320,840	$ 251,229
Contributions in relation to the contractually required contribution	854,373	766,804	685,466	495,387	356,501	320,840	251,229
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered employee payroll	$ 6,929,221	$ 6,411,405	$ 5,794,303	$ 4,754,194	$ 3,721,305	$ 3,349,060	$ 2,627,918
Contributions as a percentage of covered employee payroll	12.33%	11.96%	11.83%	10.42%	9.58%	9.58%	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.

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE OF DELAWARE EMPLOYEES' OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2021

	MEASUREMENT DATE			
PROPORTIONATE SHARE OF NET OPEB LIABILITY	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
School's proportion of the net OPEB liability	0.2903%	0.2718%	0.2334%	0.1867%
School's proportion of the net OPEB liability - dollar value	$ 30,225,825	$ 21,660,108	$ 19,161,282	$ 15,409,745
School's covered employee payroll	$ 6,411,405	$ 5,794,303	$ 4,754,194	$ 3,721,305
School's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	471.44%	373.82%	403.04%	414.10%
Plan fiduciary net position as a percentage of the total OPEB liability	4.27%	4.89%	4.44%	4.13%

In accordance with GASB Statement No. 75, 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.

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF SCHOOL OPEB CONTRIBUTIONS
STATE OF DELAWARE EMPLOYEES' OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2021

CONTRIBUTIONS	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
Contractually required contribution	$ 817,824	$ 802,196	$ 683,069	$ 524,241
Contributions in relation to the contractually required contribution	817,824	802,196	683,069	524,241
Contribution excess	$ -	$ -	$ -	$ -
School's covered employee payroll	$ 6,929,221	$ 6,411,405	$ 5,794,303	$ 4,754,194
Contributions as a percentage of covered employee payroll	11.80%	12.51%	11.79%	11.03%

In accordance with GASB Statement No. 75, 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, 2021

	State Allocation	Local Funding	Federal Funding	Total
ASSETS				
Cash and pooled cash	$ 396,758	$ 2,568,380	$ -	$ 2,965,138
Accounts receivable	-	47,637	16,730	64,367
Deposits	-	30,000	-	30,000
Prepaid expenditures	-	580	-	580
TOTAL ASSETS	$ 396,758	$ 2,646,597	$ 16,730	$ 3,060,085
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 269,235	$ -	$ 269,235
Accrued salaries and related costs	-	1,428,632	16,730	1,445,362
Unearned summer camp fees	-	1,600	-	1,600
TOTAL LIABILITIES	-	1,699,467	16,730	1,716,197
FUND BALANCES				
Nonspendable	-	580	-	580
Unassigned	396,758	946,550	-	1,343,308
TOTAL FUND BALANCES	396,758	947,130	-	1,343,888
TOTAL LIABILITIES AND FUND BALANCES	$ 396,758	$ 2,646,597	$ 16,730	$ 3,060,085

LAS AMÉRICAS ASPIRA ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	State Allocation	Local Funding	Federal Funding	Total
REVENUES				
Charges to school districts	$ -	$ 5,163,310	$ -	$ 5,163,310
State aid	9,719,364	-	-	9,719,364
Federal aid	-	-	2,020,205	2,020,205
Interest income	-	28,217	-	28,217
Food service revenue	-	6,355	-	6,355
Other local revenues	-	167,411	-	167,411
After care	-	519,459	-	519,459
Donations	-	874,528	-	874,528
Summer camp	-	25,153	-	25,153
TOTAL REVENUES	9,719,364	6,784,433	2,020,205	18,524,002
EXPENDITURES				
Current:				
Instruction	6,149,175	3,311,483	1,023,825	10,484,483
Operation and maintenance of facilities	991,870	1,720,059	416,373	3,128,302
Transportation	950,526	111,047	-	1,061,573
Food services	181,762	-	489,453	671,215
Capital outlays:				
Property	16,411	-	38,444	54,855
Equipment	119,175	84,823	52,110	256,108
TOTAL EXPENDITURES	8,408,919	5,227,412	2,020,205	15,656,536
EXCESS OF REVENUES OVER EXPENDITURES	1,310,445	1,557,021	-	2,867,466
OTHER FINANCING USES:				
Transfer out	(1,280,353)	-	-	(1,280,353)
TOTAL OTHER FINANCING USES	(1,280,353)	-	-	(1,280,353)
NET CHANGE IN FUND BALANCES	30,092	1,557,021	-	1,587,113
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	366,666	(609,891)	-	(243,225)
FUND BALANCES, END OF YEAR	$ 396,758	$ 947,130	$ -	$ 1,343,888

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES BY NATURAL CLASSIFICATION - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXPENDITURES	
Current:	
Salaries	$ 7,076,381
Employment costs	3,828,128
Travel	7,469
Contractual services	2,979,210
Communications	18,566
Public utilities service	213,971
Insurance	58,960
Transportation - buses	111,047
Repairs and maintenance	103,739
Supplies and materials	1,068,401
Student activities	17,191
Capital outlays:	
Equipment	173,473
Debt service:	
Principal	305,000
Interest	1,007,000
TOTAL EXPENDITURES	$ 16,968,536

SINGLE AUDIT SUPPLEMENT

BTCPA
BARBACANE THORNTON & COMPANY

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 29, 2021

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 ("the School"), Newark, Delaware, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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Board of Directors
Las Américas ASPIRA Academy

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

Compliance and Other Matters

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

Purpose of This Report

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

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

BTCPA
BARBACANE THORNTON & COMPANY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 29, 2021

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

Report on Compliance for Each Major Federal Program

We have audited the Las Américas ASPIRA Academy's ("the School") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2021. The School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

Management's Responsibility

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

Auditor's Responsibility

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

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Board of Directors
Las Américas ASPIRA Academy

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

Opinion on the Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (DEFERRED) REVENUE 06/30/20	REVENUE RECOGNIZED	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE 06/30/21	PASSED THROUGH TO SUB-RECIPIENTS
U.S. Department of Agriculture										
Passed through Delaware Department of Education										
National School Lunch Program	I	10.555	07/01/20-06/30/21	N/A	$ 347,285	$ -	$ 347,285	$ 347,285	$ -	$ -
Summer Food Program For Children	I	10.559	07/01/20-06/30/21	N/A	13,927	-	13,927	13,927	-	-
Total Child Nutrition Cluster					361,212	-	361,212	361,212	-	-
Child and Adult Care Food Program	I	10.558	07/01/20-06/30/21	N/A	128,241	-	128,241	128,241	-	-
Total U.S. Department of Agriculture					489,453	-	489,453	489,453	-	-
U.S. Department of Education										
Passed through Delaware Department of Education										
Title I - Grants to Local Education Agencies	I	84.010	07/01/19-11/30/21	$ 208,746	92,994	-	92,994	92,994	-	-
Title I - Grants to Local Education Agencies	I	84.010	07/01/20-11/30/22	269,039	236,758	-	253,488	253,488	16,730	-
Total CFDA #84.010					329,752	-	346,482	346,482	16,730	-
IDEA Part B	I	84.027	07/01/19-11/30/21	168,285	74,992	-	74,992	74,992	-	-
IDEA Part B	I	84.027	07/01/20-11/30/22	209,571	194,798	-	194,798	194,798	-	-
Total CFDA #84.027					269,790	-	269,790	269,790	-	-
Special Education Preschool Grants	I	84.173	07/01/19-11/30/21	3,587	141	-	141	141	-	-
Special Education Preschool Grants	I	84.173	07/01/20-11/30/22	6,534	6,534	-	6,534	6,534	-	-
Total CFDA #84.173					6,675	-	6,675	6,675	-	-
Total Special Education Cluster					276,465	-	276,465	276,465	-	-
English Language Acquistion	I	84.365	07/01/19-11/30/21	22,755	3,072	-	3,072	3,072	-	-
English Language Acquistion	I	84.365	07/01/20-11/30/22	28,337	28,337	-	28,337	28,337	-	-
Total CFDA #84.365					31,409	-	31,409	31,409	-	-
Title II - Improving Teacher Quality State Grants	I	84.367	07/01/20-11/30/21	62,009	62,009	-	62,009	62,009	-	-
Charter Schools	I	84.282	07/01/19-11/30/20	1,000,000	206,785	-	206,785	206,785	-	-
Title IV	I	84.424	07/01/19-11/30/21	23,793	23,793	-	23,793	23,793	-	-
Education Stabilization Fund	I	84.425	03/01/20-11/30/22	276,950	187,337	-	187,337	187,337	-	-
Education Stabilization Fund	I	84.425	07/01/20-11/30/23	878,253	349,172	-	349,172	349,172	-	-
Total CFDA #84.425					536,509	-	536,509	536,509	-	-
Total U.S. Department of Education					1,466,722	-	1,483,452	1,483,452	16,730	-
U.S. Department of Treasury										
Passed through New Castle County										
District Learning Grant	I	21.019	03/01/20-03/31/21	47,300	47,300	-	47,300	47,300	-	-
Total U.S. Department of Treasury					47,300	-	47,300	47,300	-	-
TOTAL FEDERAL AWARDS					$ 2,003,475	$ -	$ 2,020,205	$ 2,020,205	$ 16,730	$ -

Source Code:

I = Indirect funding

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B FEDERAL EXPENDITURES

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE C INDIRECT COST RATE

The School has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. For the year ended June 30, 2021, there were no indirect costs included in the schedule of expenditures of federal awards.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

LAS AMÉRICAS ASPIRA ACADEMY
NEWARK, DELAWARE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	______ Yes	X No
• Significant deficiency(ies) identified?	______ Yes	X None reported
• Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major program:

• Material weakness(es) identified?	______ Yes	X No
• Significant deficiency(ies) identified?	______ Yes	X None reported

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	______ Yes	X No

Identification of major program:

CFDA Number	*Name of Federal Program or Cluster*
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X Yes	______ No

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

2020-001

DEBT COVENANT NONCOMPLIANCE

Condition

During our audit for the year ended June 30, 2020, we noted that the School has not been compliant with debt covenant requirements related to the debt held with Zions Bank. The School has failed to meet the requirement of maintaining unrestricted cash reserves to meet sixty days of operating expenses.

Criteria

Management should identify and be compliant with all debt covenant requirements.

Effect

Failure to comply with debt covenant requirements could result in the note being callable by Zions Bank, which could negatively impact the operations of the School.

Questioned Costs

This finding does not result in questioned costs.

Cause

Oversight by the School's staff and Board of Directors.

Recommendation

We recommended that the School implement policies or procedures that will enable them to comply with the debt covenant requirements listed above and review all agreements to verify that they are in compliance with all other covenants.

Status

During our current year audit we noted that the School is now in compliance with their debt covenant requirements. We deem this finding resolved.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.