



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

FINANCIAL STATEMENTS

JUNE 30, 2023

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

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

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INDEPENDENT AUDITOR'S REPORT

September 26, 2023

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Las Américas ASPIRA Academy, Newark, Delaware, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

Board of Directors
Las Américas ASPIRA Academy

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

Emphasis of a Matter

As discussed in Notes 1 and 15 to the financial statements, Las Américas ASPIRA Academy has adopted the requirements of GASB Statement No. 96, "Subscription-Based Technology Information Arrangements." The purpose of this statement is to increase the usefulness of governmental financial statements by requiring recognition of certain subscription assets and subscription liabilities for certain information technology arrangements. As a result, the School has restated its governmental activities net position as of July 1, 2021. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the School's 2022 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated October 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, 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 43 through 47 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.

Supplementary 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

Board of Directors
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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 26, 2023, 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

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2023**

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, 2023, which was the School’s twelfth 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 17.3%, from \$18,483,549 to \$21,682,153, 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 1,060 to 1,178 students. The School’s total liabilities increased by 6.3%, from \$78,102,785 to \$83,041,791.

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.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

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 \$25,408,132 at the close of the fiscal year. Note the investment in capital assets is reported net of related debt and net of accumulated depreciation and amortization. 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, 2023 and 2022**

| | Governmental Activities | |
|--|-------------------------|--------------|
| | 2023 | 2022 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Current assets: | | |
| Cash and pooled cash | \$ 6,248,084 | \$ 5,251,433 |
| Investments | 4,756,866 | 11,815,513 |
| Receivables | 2,405 | 82,219 |
| Prepaid expenses | 25,685 | 140,337 |
| Total Current Assets | 11,033,040 | 17,289,502 |
| Noncurrent assets: | | |
| Due from State | 483,158 | 389,328 |
| Net pension asset | - | 3,863,696 |
| Capital assets, net of depreciation/amortization | 36,651,797 | 31,321,114 |
| Total Noncurrent Assets | 37,134,955 | 35,574,138 |
| Total Assets | 48,167,995 | 52,863,640 |

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

**Table 1
NET POSITION
June 30, 2023 and 2022**

| (cont'd) | Governmental Activities | |
|--|-------------------------|----------------------|
| | 2023 | 2022 |
| DEFERRED OUTFLOWS OF RESOURCES: | | |
| Deferred outflows of resources - pension | 4,204,320 | 3,150,522 |
| Deferred outflows of resources - OPEB | 16,229,408 | 13,015,453 |
| Total Deferred Outflows of Resources | 20,433,728 | 16,165,975 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 68,601,723 | \$ 69,029,615 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 600,341 | \$ 859,598 |
| Accrued salaries and related costs | 2,075,030 | 1,834,449 |
| Accrued interest payable | 150,498 | 151,419 |
| Bonds payable, net | 427,892 | 417,892 |
| Lease payable | 117,094 | 257,525 |
| Subscription liability | 8,089 | 7,762 |
| Total Current Liabilities | 3,378,944 | 3,528,645 |
| Noncurrent liabilities: | | |
| Compensated absences | 805,264 | 648,880 |
| Bonds payable, net | 42,481,772 | 42,954,793 |
| Lease payable | 53,366 | 63,620 |
| Subscription liability | 11,993 | 20,082 |
| Net pension liability | 5,183,937 | - |
| Net OPEB liability | 31,126,515 | 30,886,765 |
| Total Noncurrent Liabilities | 79,662,847 | 74,574,140 |
| Total Liabilities | 83,041,791 | 78,102,785 |
| DEFERRED INFLOWS OF RESOURCES: | | |
| Deferred inflows of resources - pension | - | 7,761,082 |
| Deferred inflows of resources - OPEB | 10,968,064 | 5,619,483 |
| Total Deferred Inflows of Resources | 10,968,064 | 13,380,565 |
| NET POSITION (DEFICIT): | | |
| Net investment in capital assets | (2,235,654) | (1,388,415) |
| Restricted for net pension asset | - | 3,863,696 |
| Unrestricted (deficit) | (23,172,478) | (24,929,016) |
| Total Net Deficit | (25,408,132) | (22,453,735) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT | \$ 68,601,723 | \$ 68,029,615 |

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

**Table 2
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2023 and 2022**

| | Governmental Activities | |
|---|-------------------------|---------------------|
| | 2023 | 2022 |
| REVENUES | | |
| General revenues: | | |
| Charges to school districts | \$ 6,925,438 | \$ 5,745,221 |
| Payments from primary government | 14,120,490 | 11,782,944 |
| Other local revenue | 149,369 | 866,943 |
| Interest income | 486,856 | 88,441 |
| Total General Revenues | <u>21,682,153</u> | <u>18,483,549</u> |
| Program revenues: | | |
| Charges for services | 523,378 | 323,455 |
| Operation grants and contributions | 3,049,066 | 4,531,464 |
| Total Program Revenues | <u>3,572,444</u> | <u>4,854,919</u> |
| TOTAL REVENUES | <u>25,254,597</u> | <u>23,338,468</u> |
| EXPENSES | | |
| Instructional services | 20,007,659 | 15,306,172 |
| Support services: | | |
| Operation and maintenance of facilities | 4,169,422 | 4,186,008 |
| Transportation | 1,325,508 | 1,324,177 |
| Food service | 862,681 | 1,150,487 |
| Interest on long-term debt and issuance costs | 1,843,724 | 2,251,140 |
| TOTAL EXPENSES | <u>28,208,994</u> | <u>24,218,524</u> |
| Change in Net Deficit | <u>\$ (2,954,397)</u> | <u>\$ (880,056)</u> |

Governmental Activities

Net position of the School's governmental activities decreased by \$2,954,397, and unrestricted net position reflects a negative balance of \$23,172,478.

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

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

that include charges to school districts, investment earnings, and state entitlements must support the net cost of the School's programs.

| | 2023 | | 2022 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Total Cost | Net Cost | Total Cost | Net Cost |
| Governmental Activities: | | | | |
| Instructional services | \$ 20,007,659 | \$ 17,580,405 | \$ 15,306,712 | \$ 11,438,718 |
| Support services: | | | | |
| Operation and maintenance of facilities | 4,169,422 | 4,169,422 | 4,186,008 | 4,186,008 |
| Transportation | 1,325,508 | 1,325,508 | 1,324,177 | 1,324,177 |
| Food service | 862,681 | (282,509) | 1,150,487 | 163,562 |
| Interest on long-term debt and issuance costs | 1,843,724 | 1,843,724 | 2,251,140 | 2,251,140 |
| Total Expenses | \$ 28,208,994 | \$ 24,636,550 | \$ 24,218,524 | \$ 19,363,605 |

The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for \$24,636,550 of support.

THE SCHOOL'S FUNDS

The School's governmental funds (as presented on the balance sheet) reported a combined fund balance of \$8,357,669 compared to last year's total of \$14,595,455. The schedule below indicates the fund balance as of June 30, 2023 and 2022 and the change in fund balance for the year ended June 30, 2023.

| | Governmental Funds | | |
|----------------------------|---------------------|----------------------|-----------------------|
| | 2023 | 2022 | Change |
| FUND BALANCES | | | |
| Nonspendable | \$ 25,685 | \$ 140,337 | \$ (114,652) |
| Restricted | 4,212,755 | 11,012,145 | (6,799,390) |
| Unassigned | 4,119,229 | 3,442,973 | 676,256 |
| TOTAL FUND BALANCES | \$ 8,357,669 | \$ 14,595,455 | \$ (6,237,786) |

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.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

| | 2023 | 2022 |
|---|---------------------|----------------------|
| REVENUES | | |
| Charges to school districts | \$ 6,925,438 | \$ 5,745,221 |
| State aid | 14,026,660 | 11,708,761 |
| Federal aid | 2,116,393 | 2,732,866 |
| Interest income | 363,835 | 10,549 |
| Food service revenue | 218,150 | 59,885 |
| Other local revenues | 149,369 | 866,943 |
| After care | 187,476 | 169,005 |
| Donations | 932,673 | 1,798,598 |
| Summer camp | 117,752 | 94,565 |
| TOTAL REVENUES | 25,037,746 | 23,186,393 |
| EXPENDITURES | | |
| Current: | | |
| Instruction | 16,936,697 | 13,888,771 |
| Operation and maintenance of facilities | 1,736,384 | 2,380,227 |
| Transportation | 1,325,508 | 1,324,177 |
| Food service | 862,681 | 1,150,487 |
| Capital outlays: | | |
| Property | 7,765,011 | 10,531,712 |
| Equipment | 643,415 | 389,267 |
| Debt service: | | |
| Principal | 340,000 | 1,825,000 |
| Interest | 1,826,200 | 1,287,300 |
| Bond issuance costs | - | 795,509 |
| TOTAL EXPENDITURES | 31,435,896 | 33,572,450 |
| OTHER FINANCING SOURCES (USES) | | |
| Bond proceeds | - | 20,995,000 |
| Bond premium | - | 1,146,709 |
| Lease proceeds | 160,364 | 74,460 |
| TOTAL OTHER FINANCING SOURCES (USES) | 160,364 | 22,216,169 |
| NET CHANGE IN FUND BALANCES | (6,237,786) | 11,830,112 |
| FUND BALANCES, BEGINNING OF YEAR | 14,595,455 | 2,765,343 |
| FUND BALANCES, END OF YEAR | \$ 8,357,669 | \$ 14,595,455 |

The largest revenue reported by the School for the year was for aid received from the State of Delaware, accounting for 56.0% of total revenues. Charges to local school districts for students attending the School was also significant, accounting for 27.7%.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

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 30th 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 2023 final operating budget.

Revenues

Charges to School Districts

A favorable variance of \$212,492 is attributable to increased enrollment.

State Revenue

A favorable variance of \$368,830 is attributable primarily to adjustments to final state funding.

Federal Revenue

A favorable variance of \$691,653 is attributable primarily to receiving more funding because of the COVID-19 pandemic.

Food Service Revenue

An unfavorable variance of \$14,350 is due to over projecting revenue. Since the previous two years, 100% of our students qualified for free meals as a result of the pandemic. About 60%-65% of our students qualify for free or reduced meals.

Other Local Revenue

An unfavorable variance of \$630,462 is due to the School budgeting local grants that were not obtained in other local revenue.

Donations

A favorable variance of \$487,673 is the result of additional donations received for use as part of the high school renovations.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

Expenditures

Salaries

An unfavorable variance of \$449,770 is a result of additional staffing related to the increase in students attending the School.

Contracted Services

Contractual services finished with a favorable variance of \$1,321,477. This variance is due to over projecting costs, knowing that the School would operate at full capacity compared to the previous two years while operating at less than capacity during the pandemic.

Supplies and Materials

Supplies and materials finished with a favorable variance of \$733,668. This variance is due to over projecting costs, knowing that the School would operate at full capacity compared to the previous two years while operating at less than capacity during the pandemic.

Capital Outlay

The combined favorable variance for capital outlay for equipment and property of \$1,325,962 is a result of over projecting property and equipment costs for the newly renovated high school.

GOVERNMENTAL FUNDS

General Fund

As of June 30, 2023, the School had a general fund balance of \$4,144,914. This was an increase of \$561,604 from the prior year. The biggest contributors to the increase in fund balance are the increase in charges to school districts, state aid, interest income, and food service revenue.

Capital Projects Fund

As of June 30, 2023, the School had a capital projects fund balance of \$4,212,755. This was a decrease of \$6,799,390 from the prior year. The School pays for its revenue bonds and capital outlays out of this fund. The School reported expenditures of \$9,947,728 in 2022 - 2023. These expenditures were related to the school renovation project and debt service payments.

CAPITAL ASSETS

The School has \$36,651,797 in net capital assets which include right-to-use assets and subscription assets. Acquisitions for governmental activities totaled \$7,556,456, and depreciation/amortization

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2023**

was \$2,225,773. Detailed information regarding capital asset activity is included in Note 4 to the financial statements.

DEBT ADMINISTRATION

As of June 30, 2023, the School had total outstanding debt of \$43,100,206 in the form of revenue bonds leases payable and a subscription liability issued for the purpose of building improvements and equipment leases.

Other obligations include accrued vacation pay, sick leave for School employees, and the 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 2023 was the twelfth year of operation as a Delaware Public Charter School. Our East Campus is the original K-8 school, and our West Campus, the high school, which just completed its third year with grades 9-11, will graduate our first 12th grade class in FY 2024. The School's enrollment is now at 1,341 with a planned enrollment of 1,547 K-12 students by fiscal year 2025. In fiscal year 2023, we completed a major fit out of the high school building that includes a new gymnasium, kitchen, cafeteria, fitness center, and an art room. We will continue to seek outside revenue streams to support our capital expansion, as we are now focusing efforts on completing our athletic fields. 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, 2023 AND 2022**

| | 2023 | 2022 |
|--|----------------------|----------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| CURRENT ASSETS: | | |
| Cash and pooled cash | \$ 6,248,084 | \$ 5,251,433 |
| Investments | 4,756,866 | 11,815,513 |
| Accounts receivable | 2,405 | 82,219 |
| Prepaid expenses | 25,685 | 140,337 |
| Total Current Assets | 11,033,040 | 17,289,502 |
| NONCURRENT ASSETS: | | |
| Due from State | 483,158 | 389,328 |
| Net pension asset | - | 3,863,696 |
| Land | 1,502,686 | 1,502,686 |
| Construction-in-progress | 11,013,501 | 4,182,115 |
| Depreciable capital assets, net | 23,916,741 | 25,238,411 |
| Right-to-use assets, net | 192,019 | 363,892 |
| Subscription asset, net | 26,850 | 34,010 |
| Total Noncurrent Assets | 37,134,955 | 35,574,138 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred pension | 4,204,320 | 3,150,522 |
| Deferred OPEB | 16,229,408 | 13,015,453 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 20,433,728 | 16,165,975 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 68,601,723 | \$ 69,029,615 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 600,341 | \$ 859,598 |
| Accrued salaries and related costs | 2,075,030 | 1,834,449 |
| Accrued interest payable | 150,498 | 151,419 |
| Bonds payable, net | 427,892 | 417,892 |
| Lease payable | 117,094 | 257,525 |
| Subscription liability | 8,089 | 7,762 |
| Total Current Liabilities | 3,378,944 | 3,528,645 |
| NONCURRENT LIABILITIES: | | |
| Compensated absences | 805,264 | 648,880 |
| Bonds payable, net | 42,481,772 | 42,954,793 |
| Lease payable | 53,366 | 63,620 |
| Subscription liability | 11,993 | 20,082 |
| Net pension liability | 5,183,937 | - |
| Net OPEB liability | 31,126,515 | 30,886,765 |
| Total Noncurrent Liabilities | 79,662,847 | 74,574,140 |
| TOTAL LIABILITIES | 83,041,791 | 78,102,785 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred pension | - | 7,761,082 |
| Deferred OPEB | 10,968,064 | 5,619,483 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 10,968,064 | 13,380,565 |
| NET DEFICIT | | |
| Net investment in capital assets | (2,235,654) | (1,388,415) |
| Restricted for net pension asset | - | 3,863,696 |
| Unrestricted (deficit) | (23,172,478) | (24,929,016) |
| TOTAL NET DEFICIT | (25,408,132) | (22,453,735) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT | \$ 68,601,723 | \$ 69,029,615 |

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

**LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Comparative Data for the Year Ended June 30, 2022)**

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Deficit | |
|---|------------------------------|--------------------------|--|--|---|----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Totals | |
| | | | | | 2023 | 2022 |
| GOVERNMENTAL ACTIVITIES | | | | | | |
| Instructional services: | \$(20,007,659) | \$ 305,228 | \$ 2,122,026 | \$ - | \$(17,580,405) | \$(11,438,718) |
| Operation and maintenance of facilities | (4,169,422) | - | - | - | (4,169,422) | (4,186,008) |
| Transportation | (1,325,508) | - | - | - | (1,325,508) | (1,324,177) |
| Food service | (862,681) | 218,150 | 927,040 | - | 282,509 | (163,562) |
| Interest on long-term debt and issuance costs | (1,843,724) | - | - | - | (1,843,724) | (2,251,140) |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$(28,208,994)</u> | <u>\$ 523,378</u> | <u>\$ 3,049,066</u> | <u>\$ -</u> | <u>(24,636,550)</u> | <u>(19,363,605)</u> |
| | | GENERAL REVENUES | | | | |
| | | | | | 6,925,438 | 5,745,221 |
| | | | | | 14,120,490 | 11,782,944 |
| | | | | | 149,369 | 866,943 |
| | | | | | 486,856 | 88,441 |
| | | | | | <u>21,682,153</u> | <u>18,483,549</u> |
| | | | | | | |
| | | | | | (2,954,397) | (880,056) |
| | | | | | | |
| | | | | | <u>(22,453,735)</u> | <u>(21,573,679)</u> |
| | | | | | | |
| | | | | | <u>\$ (25,408,132)</u> | <u>\$ (22,453,735)</u> |

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

**LAS AMÉRICAS ASPIRA ACADEMY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(With Summarized Comparative Data for June 30, 2022)**

| | General Fund | Capital Projects Fund | Total Government Funds | |
|--|---------------------|--------------------------|------------------------|----------------------|
| | | | 2023 | 2022 |
| ASSETS: | | | | |
| Cash and pooled cash | \$ 6,248,084 | \$ - | \$ 6,248,084 | \$ 5,251,433 |
| Investments | - | 4,756,866 | 4,756,866 | 11,815,513 |
| Accounts receivable | 2,405 | - | 2,405 | 82,219 |
| Prepaid expenditures | 25,685 | - | 25,685 | 140,337 |
| TOTAL ASSETS | \$ 6,276,174 | \$ 4,756,866 | \$ 11,033,040 | \$ 17,289,502 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES: | | | | |
| Accounts payable | \$ 56,230 | \$ 544,111 | \$ 600,341 | \$ 859,598 |
| Accrued salaries and related costs | 2,075,030 | - | 2,075,030 | 1,834,449 |
| TOTAL LIABILITIES | 2,131,260 | 544,111 | 2,675,371 | 2,694,047 |
| FUND BALANCES: | | | | |
| Nonspendable | 25,685 | - | 25,685 | 140,337 |
| Restricted | - | 4,212,755 | 4,212,755 | 11,012,145 |
| Unassigned | 4,119,229 | - | 4,119,229 | 3,442,973 |
| TOTAL FUND BALANCES | 4,144,914 | 4,212,755 | 8,357,669 | 14,595,455 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 6,276,174 | \$ 4,756,866 | \$ 11,033,040 | \$ 17,289,502 |

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, 2023**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 8,357,669

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/amortization as detailed in the footnotes are included in the statement of net position. 36,651,797

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 483,158

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 | \$ (805,264) | |
| Accrued interest payable | (150,498) | |
| Bonds payable in future years, net | (42,909,664) | |
| Lease payable | (170,460) | |
| Subscription liability | (20,082) | |
| Net pension liability | (5,183,937) | |
| Net OPEB liability | <u>(31,126,515)</u> | <u>(80,366,420)</u> |

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 4,204,320

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 | 16,229,408 | |
| Deferred inflows - OPEB | <u>(10,968,064)</u> | <u>5,261,344</u> |

TOTAL NET DEFICIT - GOVERNMENTAL ACTIVITIES \$ (25,408,132)

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, 2023
(With Summarized Comparative Data for the Year Ended June 30, 2022)

| | General Fund | Capital Projects Fund | Total Governmental Funds | |
|--|---------------------|--------------------------|--------------------------|----------------------|
| | | | 2023 | 2022 |
| REVENUES | | | | |
| Charges to school districts | \$ 6,925,438 | \$ - | \$ 6,925,438 | \$ 5,745,221 |
| State aid | 14,026,660 | - | 14,026,660 | 11,708,761 |
| Federal aid | 2,116,393 | - | 2,116,393 | 2,732,866 |
| Interest income | 72,089 | 291,746 | 363,835 | 10,549 |
| Food service revenue | 218,150 | - | 218,150 | 59,885 |
| Other local revenues | 149,369 | - | 149,369 | 866,943 |
| After care | 187,476 | - | 187,476 | 169,005 |
| Donations | 932,673 | - | 932,673 | 1,798,598 |
| Summer camp | 117,752 | - | 117,752 | 94,565 |
| TOTAL REVENUES | <u>24,746,000</u> | <u>291,746</u> | <u>25,037,746</u> | <u>23,186,393</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 16,936,697 | - | 16,936,697 | 13,888,771 |
| Operation and maintenance of facilities | 1,736,384 | - | 1,736,384 | 2,380,227 |
| Transportation | 1,325,508 | - | 1,325,508 | 1,324,177 |
| Food services | 862,681 | - | 862,681 | 1,150,487 |
| Capital outlays: | | | | |
| Property | 143,847 | 7,621,164 | 7,765,011 | 10,531,712 |
| Equipment | 483,051 | 160,364 | 643,415 | 389,267 |
| Debt service: | | | | |
| Principal | - | 340,000 | 340,000 | 1,825,000 |
| Interest | - | 1,826,200 | 1,826,200 | 1,287,300 |
| Bond issuance cost | - | - | - | 795,509 |
| TOTAL EXPENDITURES | <u>21,488,168</u> | <u>9,947,728</u> | <u>31,435,896</u> | <u>33,572,450</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>3,257,832</u> | <u>(9,655,982)</u> | <u>(6,398,150)</u> | <u>(10,386,057)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond proceeds | - | - | - | 20,995,000 |
| Bond premium | - | - | - | 1,146,709 |
| Lease proceeds | - | 160,364 | 160,364 | 74,460 |
| Transfers in (out) | (2,696,228) | 2,696,228 | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(2,696,228)</u> | <u>2,856,592</u> | <u>160,364</u> | <u>22,216,169</u> |
| NET CHANGE IN FUND BALANCES | 561,604 | (6,799,390) | (6,237,786) | 11,830,112 |
| FUND BALANCES, BEGINNING OF YEAR | <u>3,583,310</u> | <u>11,012,145</u> | <u>14,595,455</u> | <u>2,765,343</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 4,144,914</u> | <u>\$ 4,212,755</u> | <u>\$ 8,357,669</u> | <u>\$ 14,595,455</u> |

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, 2023**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (6,237,786)

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.

| | | |
|-----------------------------------|--------------------|-----------|
| Capital outlays | \$ 7,556,456 | |
| Depreciation/amortization expense | <u>(2,225,773)</u> | 5,330,683 |

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. 93,830

Debt and 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.

| | | |
|---|----------------|---------|
| Lease proceeds | (160,364) | |
| Accrued interest | 921 | |
| Bonds, lease, and subscription principal repayments | 658,811 | |
| Amortization of bond premium | <u>123,021</u> | 622,389 |

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 | (156,384) |
|----------------------|-----------|

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. (232,753)

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. (2,374,376)

| | |
|---|------------------------------|
| CHANGE IN NET DEFICIT - GOVERNMENTAL ACTIVITIES | <u><u>\$ (2,954,397)</u></u> |
|---|------------------------------|

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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO 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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

Right-to-use assets and subscription assets are reported in the entity-wide financial statements. The School defines right-to-use assets as a contract entitling the School to the temporary use of an asset and has the economic characteristics of asset ownership. The School defines

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

subscription assets as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets. 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.

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.

Capital assets of the School are depreciated using the straight-line method over the estimated useful lives of the related assets. Right-to-use assets and subscription assets are amortized over the term of the lease or agreement. The School generally uses the following estimated useful lives:

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

Deferred Outflows and Inflows 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 liability and OPEB liability and certain other items which represent differences related to changes in the net pension liability and OPEB liability which will be amortized over future periods. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents a source of net position that applies to future periods. The School reports certain items which represent differences related to changes in the net pension liability and OPEB liability which will be amortized over future periods.

Long-term Obligations

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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

Compensated Absences

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

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

Sick Leave – Sick leave allowances are as follows: teachers shall be allowed 10 days of sick leave per year, and annual employees earn one day of sick leave for each month worked. Any unused sick days shall be accumulated to the employee's credit up to a maximum of 120 days. Compensation for accumulated sick days is received when employees (a) qualify and apply for state pension and are paid at a rate of 50% 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 90 days.

The compensated absences liability was \$805,264 at June 30, 2023, of which \$483,158 was reimbursable by the State of Delaware.

Fund Equity

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

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

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

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Directors. The Board is the highest level of decision-making authority for 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.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

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 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 and amortization, 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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

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, 2022, from which the summarized information was derived.

Implementation of GASB Statement

During the year ended June 30, 2023, the School implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, "Subscription-Based Information Technology Agreements." The purpose of this statement is to increase the usefulness of governmental financial statements by requiring recognition of certain subscription assets and liabilities for all leases.

NOTE 2 CASH, POOLED CASH, AND INVESTMENTS

Deposits

At June 30, 2023, the School had a cash and pooled cash balance of \$6,248,084. Of those amounts, \$6,246,952 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, 2023, the reported amount of the School's deposits outside of the State Treasurer's Office was \$1,132 and the bank balance was \$1,132, 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.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

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, 2023:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Level 2</u> |
|--------------------------|----------------------------|----------------------------|
| Money Market Mutual Fund | <u>\$ 4,756,866</u> | <u>\$ 4,756,866</u> |
| TOTAL | <u><u>\$ 4,756,866</u></u> | <u><u>\$ 4,756,866</u></u> |

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, 2023, none of the School's investments were subject to custodial credit risk.

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, 2023, 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, 2023, receivables are as follows:

| <u>Description</u> | |
|---|------------------------|
| Passed through the State of Delaware: Federal government | <u>\$ 2,405</u> |
| Total accounts receivable | <u><u>\$ 2,405</u></u> |

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

| | Beginning Balances | Additions | Deletions | Ending Balances |
|---|-----------------------|---------------------|-------------|----------------------|
| Governmental Activities: | | | | |
| General capital assets not being depreciated/amortized: | | | | |
| Land | \$ 1,502,686 | \$ - | \$ - | \$ 1,502,686 |
| Construction-in-progress | 4,182,115 | 6,831,386 | - | 11,013,501 |
| Total general capital assets not being depreciated/amortized | <u>5,684,801</u> | <u>6,831,386</u> | <u>-</u> | <u>12,516,187</u> |
| General capital assets being depreciated/amortized: | | | | |
| Building and improvements | 29,603,357 | 40,529 | - | 29,643,886 |
| Furniture and equipment | 2,801,896 | 524,177 | - | 3,326,073 |
| Right-to-use asset - equipment | 966,109 | 160,364 | - | 1,126,473 |
| Subscription asset | 35,800 | - | - | 35,800 |
| Total general capital assets being depreciated/amortized | <u>33,407,162</u> | <u>725,070</u> | <u>-</u> | <u>34,132,232</u> |
| Accumulated depreciation | 7,166,842 | 1,886,376 | - | 9,053,218 |
| Accumulated amortization - leased assets | 602,217 | 332,237 | - | 925,504 |
| Accumulated amortization - subscription assets | 1,790 | 7,160 | - | 8,950 |
| Total general capital assets being depreciated/amortized, net | <u>7,770,849</u> | <u>2,225,773</u> | <u>-</u> | <u>9,996,622</u> |
| | <u>25,636,313</u> | <u>(1,500,703)</u> | <u>-</u> | <u>24,135,610</u> |
| Governmental Activities, Net | <u>\$ 31,321,114</u> | <u>\$ 5,330,683</u> | <u>\$ -</u> | <u>\$ 36,651,797</u> |

Depreciation/amortization expense was charged to the following governmental activities:

| | |
|---|---------------------|
| Instructional services | \$ 644,705 |
| Operation and maintenance of facilities | <u>1,581,068</u> |
| | <u>\$ 2,225,773</u> |

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.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM DEBT (cont'd)

The Series A of 2016 bonds bear interest ranging from 3.25% to 5.00%, 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% and mature on June 1, 2022, with interest payable on December 1 and June 1.

During the year ended June 30, 2022, the School issued Revenue Bonds, Series A and Series B of 2022 in the amounts of \$19,695,000 and \$1,300,000, respectively. The bonds are subject to certain financial covenants, which were met in the current fiscal year.

The Series A of 2022 bonds bear interest ranging from 3.00% to 4.00%, maturing June 1, 2032 to June 1, 2057, with interest payable on December 1 and June 1.

The Series B of 2022 bonds bear interest at 5.40%, maturing June 1, 2026 to June 1, 2029, with interest payable on December 1 and June 1.

The School leases copier and computer equipment under a number of leases. The School has entered into these lease agreements at different times during fiscal years 2019, 2020, 2021, 2022, and 2023. The leases expire at various times during fiscal years 2024 and 2026.

The School has entered into a subscription-based information technology arrangement for bus software. This arrangement expires in fiscal year 2026.

A schedule of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

| | Amounts Outstanding <u>7/1/2022</u> | Additions | Retirements | Amounts Outstanding <u>6/30/2023</u> | Due Within One Year |
|-------------------------------|---|--------------------|-------------------|--|------------------------|
| Governmental Activities: | | | | | |
| Bonds payable | \$40,950,000 | \$ - | \$ 340,000 | \$40,610,000 | \$ 350,000 |
| Bond premium | 2,422,685 | - | 123,021 | 2,344,794 | 77,892 |
| | <u>43,372,685</u> | - | <u>463,021</u> | <u>42,909,664</u> | <u>427,892</u> |
| Lease Payable | 321,145 | 160,364 | 311,049 | 170,460 | 117,094 |
| Subscription liability | 27,844 | - | 7,762 | 20,082 | 8,089 |
| Net pension liability | - | 5,183,937 | - | 5,183,937 | - |
| Net OPEB liability | 30,886,765 | 239,750 | - | 31,126,515 | - |
| Compensated absences | 648,880 | 156,384 | - | 805,264 | - |
| Total Governmental Activities | <u>\$75,257,319</u> | <u>\$5,740,435</u> | <u>\$ 781,832</u> | <u>\$80,215,922</u> | <u>\$ 553,075</u> |

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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM DEBT (cont'd)

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

| Description | Amount of Original Issue | Interest Rate | Maturity Date | Balance June 30, 2023 |
|----------------------------|--------------------------------|------------------|------------------|--------------------------|
| Series A of 2016 | \$20,125,000 | 3.25% - 5.00% | Annually | \$ 19,615,000 |
| Series A of 2022 | 19,695,000 | 3.00% - 4.00% | Annually | 19,695,000 |
| Series B of 2022 | 1,300,000 | 5.40% | Annually | 1,300,000 |
| Bonds payable, at face | | | | <u>40,610,000</u> |
| Unamortized premium | | | | 2,344,794 |
| Bonds payable, net | | | | <u>\$ 42,909,664</u> |
| Amounts due in one year | | | | \$ 427,892 |
| Amounts due after one year | | | | <u>42,481,772</u> |
| | | | | <u>\$ 42,909,664</u> |

The total principal and interest maturities as of June 30, 2023 for bonds payable are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 350,000 | \$ 1,805,975 | \$ 2,155,975 |
| 2025 | 365,000 | 1,794,600 | 2,159,600 |
| 2026 | 705,000 | 1,782,738 | 2,487,738 |
| 2027 | 735,000 | 1,752,730 | 2,487,730 |
| 2028 | 775,000 | 1,714,600 | 2,489,600 |
| 2029 - 2033 | 4,435,000 | 8,001,440 | 12,436,440 |
| 2034 - 2038 | 5,500,000 | 6,939,200 | 12,439,200 |
| 2039 - 2043 | 6,860,000 | 4,579,300 | 11,439,300 |
| 2044 - 2048 | 8,585,000 | 3,851,950 | 12,436,950 |
| 2049 - 2053 | 8,035,000 | 1,765,450 | 9,800,450 |
| 2054 - 2057 | 4,265,000 | 434,800 | 4,699,800 |
| Total | <u>\$40,610,000</u> | <u>\$34,422,783</u> | <u>\$75,032,783</u> |

The total principal and interest maturities as of June 30, 2023 for lease payables are as follows:

| Year | Principal | Interest | Total |
|--------|-------------------|------------------|-------------------|
| 2024 | \$ 117,094 | \$ 8,995 | \$ 126,089 |
| 2025 | 51,796 | 4,867 | 56,663 |
| 2026 | 1,570 | - | 1,570 |
| Totals | <u>\$ 170,460</u> | <u>\$ 13,862</u> | <u>\$ 184,322</u> |

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM DEBT (cont'd)

The total principal and interest maturities as of June 30, 2023 for subscription liability is as follows:

| Year | Principal | Interest | Total |
|--------|------------------|-----------------|------------------|
| 2024 | \$ 8,089 | \$ 602 | \$ 8,691 |
| 2025 | 5,818 | 360 | 6,178 |
| 2026 | 6,175 | 99 | 6,274 |
| Totals | <u>\$ 20,082</u> | <u>\$ 1,061</u> | <u>\$ 21,143</u> |

NOTE 6 FUND BALANCES

As of June 30, 2023, fund balances are composed of the following:

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|------------------------|---------------------|-----------------------------|--------------------------------|
| Nonspendable: | | | |
| Prepaid expenditures | \$ 25,685 | \$ - | \$ 25,685 |
| Restricted: | | | |
| Capital projects | - | 6,850 | 6,850 |
| Debt service | - | 2,851,914 | 2,851,914 |
| Repair and replacement | - | 100,000 | 100,000 |
| Building expansion | - | 1,253,991 | 1,253,991 |
| Unassigned | <u>4,119,229</u> | <u>-</u> | <u>4,119,229</u> |
| Total Fund Balances | <u>\$ 4,144,914</u> | <u>\$ 4,212,755</u> | <u>\$ 8,357,669</u> |

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, 2023. During the year, the general fund transferred \$2,696,228 to the capital projects fund to fund current year principal and interest payments on long-term debt.

NOTE 8 PENSION PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Pension Plan ("the Plan"), which is a cost-sharing, multiple-employer

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

defined benefit public employees' retirement system ("the State PERS") established in the Delaware Code. The Plan is administered by the Delaware Public Employees Retirement System ("DPERS").

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, 2022. For a more complete description, please refer to the Delaware Employees' Pension Plan Annual Comprehensive Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904; by calling 1-800-722-7300; or by visiting the PERS website at www.delawarepensions.com.

Plan Description and Eligibility

The State Employees' Pension Plan is a cost-sharing multiple-employer defined benefit plan that 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% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% 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 12 consecutive months of compensation.

Vesting

Pre-2012 date of hire: 5 years of credited service. Post-2011 date of hire: 10 years of credited service (5 of which must be consecutive).

Retirement

Employees hired Pre-2011 may retire at age 62 with five years of credited service; at age 60 with 15 years of credited service; or after 30 years of credited service at any age. Employees hired

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

Post-2012 may retire at age 65 with at least 10 years of credited service; at age 60 with 20 years of credited service; or after 30 years of credited service at any age.

Disability Benefits

Pre-2012 date of hire: Same as Service Benefits. Employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire; in the Disability Insurance Program.

Survivor and Burial Benefits

If employee is receiving a pension, the eligible survivor receives 50% of pension (or 67.7% with 2% reduction of benefit, 75% with 3% reduction of benefit, or 100% with 6% reduction of benefit); if employee is active with at least 5 years of credited service, eligible survivor receives 75% of pension the employee would have received at age 62. Amount payable to a surviving spouse under age 50 at the time the survivor's pension begins shall be reduced for each month under 50 in accordance with actuarial tables approved by the Board. Any actuarial reduction for such a spouse shall, however, not apply for the period during which the spouse has in his or her care an unmarried child or children.

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

Contributions

Member Contributions

Pre-2012 date of hire employees contribute 3% of earnings in excess of \$6,000. Post-2011 date of hire employees contribute 5% of earnings in excess of \$6,000.

Employer Contributions

Employer contributions are determined by the Board. For the year ended June 30, 2023, the rate of the employer contribution was 11.15% of covered payroll. The School's contribution to PERS for the year ended June 30, 2023 was \$1,169,807.

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.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

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

At June 30, 2023, the School reported a pension liability of \$5,183,937 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. 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, 2022, the School's proportion was 0.3790%, which was an increase of 0.0619% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School recognized pension expense of \$1,457,895. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Net difference between projected and actual investment earnings | \$ 994,813 | \$ - |
| Changes in proportions | 943,860 | - |
| Changes in assumptions | 560,525 | - |
| Differences between actual and expected experience | 535,315 | - |
| Contributions subsequent to the date of measurement | <u>1,169,807</u> | <u>-</u> |
| | <u>\$ 4,204,320</u> | <u>\$ -</u> |

An amount of \$1,169,807 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the June 30, 2022 measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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,

| | |
|------|--------------------|
| 2024 | \$ 257,061 |
| 2025 | 63,505 |
| 2026 | 186,358 |
| 2027 | 2,329,596 |
| 2028 | <u>197,993</u> |
| | <u>\$3,034,513</u> |

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

Actuarial Assumptions

The total pension liability as of the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, and update procedures were used to roll forward the total pension liability to June 30, 2022. These actuarial valuations used the following actuarial assumptions, applied to all periods:

- Investment return – 7.0%, including inflation of 2.5%
- Salary increases – 2.5% plus merit, including inflation of 2.5%
- Cost-of-living adjustments – 0.0%

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 Pub-2010 Mortality Tables with Gender Adjustments for Employees, Healthy Annuitants, and Disabled Retirees as well as an adjusted version on MP-2020 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:

| <u>Asset Class</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Target Asset Allocation</u> |
|-------------------------|---|--|
| Domestic equity | 5.7% | 31.8% |
| International equity | 5.7% | 15.0% |
| Fixed income | 2.0% | 23.6% |
| Alternative investments | 7.8% | 21.5% |
| Cash and equivalents | 0.0% | 8.1% |

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

Discount Rate

The discount used to measure the total pension liability was 7.0%. 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 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%, 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%) or one percentage point higher (8.0%) 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 | \$ 10,824,845 | \$ 5,183,937 | \$ 847,663 |

Pension Plan Fiduciary Net Position

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

NOTE 9 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 established in 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.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

The following are brief descriptions of the Plan in effect as of June 30, 2022. 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 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 5% 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, 2023, the rate of the employer contribution was 14.98% of covered payroll. The School's contribution to the Plan for the year ended June 30, 2023 was \$1,571,522.

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

At June 30, 2023, the School reported a liability of \$31,126,515 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. 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, 2022, the School's proportion was 0.3672%, which was an increase of 0.0609% from its proportion measured as of June 30, 2021.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

For the year ended June 30, 2023, the School recognized OPEB expense of \$3,945,898. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Net difference between projected and actual investment earnings | \$ 72,680 | \$ - |
| Changes in proportions | 8,993,113 | - |
| Changes in assumptions | 4,804,841 | 7,154,261 |
| Net difference between projected and actual experience | 787,252 | 3,813,803 |
| Contributions subsequent to the date of measurement | <u>1,571,522</u> | <u>-</u> |
| | <u>\$16,229,408</u> | <u>\$10,968,064</u> |

An amount of \$1,571,522 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the June 30, 2022 measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. 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,

| | |
|------------|---------------------|
| 2024 | \$ 959,233 |
| 2025 | 1,205,521 |
| 2026 | 1,585,570 |
| 2027 | 400,909 |
| 2028 | 668,610 |
| Thereafter | <u>(1,130,021)</u> |
| | <u>\$ 3,689,822</u> |

Actuarial Assumptions

The total OPEB liability as of the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, and update procedures were used to roll forward the total OPEB liability to June 30, 2022. These actuarial valuations used the following actuarial assumptions:

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

- Discount rate – 3.54%
- Salary increases – 3.25% plus merit
- Healthcare cost trend rates – 5.17%

Mortality rates are based on the Sex-distinct Employee, Healthy Annuitant, and Disabled Annuitant Mortality Tables derived from the Pub-2010 General Benefits Weighted Annuitant Mortality Table, including adjustment facts. Future mortality improvements are reflected by applying a custom projection scale on a generational basis to adjusted base tables from the base year.

The total OPEB liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, health costs, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study performed in 2021 and covering the period July 1, 2015 through June 30, 2020. 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 experience deviates, the larger the impact on future financial statements.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16% at the beginning of the current measurement period and 3.54% 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, 2022 measurement date is 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 3.54%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate.

| | 1% Decrease 2.54% | Current Discount Rate 3.54% | 1% Increase 4.54% |
|--|-------------------------|-----------------------------------|-------------------------|
| School's proportionate share of the net OPEB liability | \$ 36,699,126 | \$ 31,126,515 | \$ 26,690,075 |

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

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 5.17%, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (4.17%) or one percentage point higher (6.17%) than the current rate.

| | 1% Decrease 4.17% | Current Healthcare Trend Rate 5.17% | 1% Increase 6.17% |
|--|-------------------------|--|-------------------------|
| School's proportionate share of the net OPEB liability | \$ 26,732,889 | \$ 31,126,515 | \$ 36,350,007 |

Plan Fiduciary Net Position

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

NOTE 10 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, 2023. There was no significant reduction in coverage compared to the prior year.

NOTE 11 EXCESS EXPENDITURES OVER APPROPRIATIONS

The School overspent budgetary appropriations in the following categories:

| | |
|-----------------------------|------------|
| Salaries | \$ 449,770 |
| Travel | \$ 6,157 |
| Insurance | \$ 5,637 |
| Student activities | \$ 52,617 |
| Capital outlays - equipment | \$ 445,551 |

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 11 EXCESS EXPENDITURES OVER APPROPRIATIONS (cont'd)

The excess expenditures were covered by revenues exceeded anticipated amounts and by other expenditure categories that were less than their budgeted appropriation.

NOTE 12 UNCERTAINTIES

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 13 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amount of \$23,172,478 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 14 COMMITMENTS AND CONTINGENCIES

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

Construction Commitments

At June 30, 2023, the School was party to a construction contract in the amount of \$11,805,336 for building renovations, of which \$10,697,757 in expenditures had been incurred by June 30, 2023, resulting in a remaining construction commitment of \$1,107,579. All payments under this contract are reported as construction-in-progress on the statement of net position as of June 30, 2023. The remaining \$315,744 included in construction-in-progress is not under formal commitment due to the terms of the contracts not listing a fixed price, but instead hourly rates or some other measure of estimating cost at completion.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE

In accordance with the adoption of GASB Statement No. 96, as discussed in Note 1, the School has restated its July 1, 2021 net position in its governmental activities by \$6,166 to record the subscription asset and subscription liability associated with the School's subscription-based information technology arrangements at June 30, 2022. The net result of this change is an increase to the subscription asset, net of amortization of \$34,010, an increase in subscription liability of \$27,844, and an increase to net investment in capital assets component of net position of \$6,166 in its governmental activities.

NOTE 16 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through September 26, 2023, 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, 2023**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| REVENUES | | | | |
| Charges to school districts | \$ 6,509,752 | \$ 6,712,946 | \$ 6,925,438 | \$ 212,492 |
| State aid | 13,608,430 | 13,657,830 | 14,026,660 | 368,830 |
| Federal aid | 1,333,560 | 1,424,740 | 2,116,393 | 691,653 |
| Interest income | - | - | 72,089 | 72,089 |
| Food service revenue | 215,103 | 232,500 | 218,150 | (14,350) |
| Other local revenues | 801,286 | 779,831 | 149,369 | (630,462) |
| After care | 215,000 | 242,000 | 187,476 | (54,524) |
| Donations | 401,000 | 445,000 | 932,673 | 487,673 |
| Summer camp | 128,000 | 84,000 | 117,752 | 33,752 |
| TOTAL REVENUES | 23,212,131 | 23,578,847 | 24,746,000 | 1,167,153 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries | 10,968,341 | 11,030,860 | 11,480,630 | (449,770) |
| Employment costs | 5,530,863 | 5,522,019 | 5,482,597 | 39,422 |
| Travel | 77,400 | 87,550 | 93,707 | (6,157) |
| Contractual services | 1,394,484 | 1,587,000 | 265,523 | 1,321,477 |
| Communications | 39,000 | 36,500 | 36,198 | 302 |
| Public utilities service | 334,000 | 346,000 | 311,919 | 34,081 |
| Insurance | 110,000 | 117,000 | 122,637 | (5,637) |
| Transportation - buses | 1,371,847 | 1,334,102 | 1,325,508 | 8,594 |
| Repairs and maintenance | 130,500 | 185,500 | 161,860 | 23,640 |
| Supplies and materials | 2,038,216 | 2,180,742 | 1,447,074 | 733,668 |
| Student activities | 115,000 | 81,000 | 133,617 | (52,617) |
| Capital outlays: | | | | |
| Property | 1,912,860 | 1,915,360 | 143,847 | 1,771,513 |
| Equipment | 40,000 | 37,500 | 483,051 | (445,551) |
| TOTAL EXPENDITURES | 24,062,511 | 24,461,133 | 21,488,168 | 2,972,965 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (850,380) | (882,286) | 3,257,832 | 4,140,118 |
| OTHER FINANCING USES | | | | |
| Transfer out | - | - | (2,696,228) | (2,696,228) |
| TOTAL OTHER FINANCING USES | - | - | (2,696,228) | (2,696,228) |
| NET CHANGE IN FUND BALANCE | (850,380) | (882,286) | 561,604 | 1,443,890 |
| FUND BALANCE, BEGINNING OF YEAR | 3,583,310 | 3,583,310 | 3,583,310 | - |
| FUND BALANCE, END OF YEAR | \$ 2,732,930 | \$ 2,701,024 | \$ 4,144,914 | \$ 1,443,890 |

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**

| <u>PROPORTIONATE SHARE OF NET PENSION LIABILITY</u> | <u>MEASUREMENT DATE</u> | | | | | | | | |
|---|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>JUNE 30, 2022</u> | <u>JUNE 30, 2021</u> | <u>JUNE 30, 2020</u> | <u>JUNE 30, 2019</u> | <u>JUNE 30, 2018</u> | <u>JUNE 30, 2017</u> | <u>JUNE 30, 2016</u> | <u>JUNE 30, 2015</u> | <u>JUNE 30, 2014</u> |
| School's proportion of the net pension liability (asset) | 0.3790% | 0.3171% | 0.2974% | 0.2792% | 0.2395% | 0.1910% | 0.1756% | 0.1409% | 0.1061% |
| School's proportion of the net pension liability (asset) - dollar value | \$ 5,183,937 | \$ (3,863,696) | \$ 4,180,653 | \$ 4,347,423 | \$ 3,092,441 | \$ 2,800,443 | \$ 2,646,247 | \$ 937,416 | \$ 390,535 |
| School's covered employee payroll | \$ 8,739,743 | \$ 6,929,211 | \$ 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 (asset) as a percentage of its covered employee payroll | 59.31% | -55.76% | 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 (asset) | 88.76% | 110.48% | 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**

| <u>CONTRIBUTIONS</u> | <u>JUNE 30, 2023</u> | <u>JUNE 30, 2022</u> | <u>JUNE 30, 2021</u> | <u>JUNE 30, 2020</u> | <u>JUNE 30, 2019</u> | <u>JUNE 30, 2018</u> | <u>JUNE 30, 2017</u> | <u>JUNE 30, 2016</u> | <u>JUNE 30, 2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution | \$ 1,169,807 | \$ 1,088,098 | \$ 854,373 | \$ 766,804 | \$ 685,466 | \$ 495,387 | \$ 356,501 | \$ 320,840 | \$ 251,229 |
| Contributions in relation to the contractually required contribution | <u>1,169,807</u> | <u>1,088,098</u> | <u>854,373</u> | <u>766,804</u> | <u>685,466</u> | <u>495,387</u> | <u>356,501</u> | <u>320,840</u> | <u>251,229</u> |
| Contribution excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School's covered employee payroll | \$ 10,491,543 | \$ 8,739,743 | \$ 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 | 11.15% | 12.45% | 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**

| <u>PROPORTIONATE SHARE OF NET OPEB LIABILITY</u> | <u>MEASUREMENT DATE</u> | | | | | |
|--|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>JUNE 30, 2022</u> | <u>JUNE 30, 2021</u> | <u>JUNE 30, 2020</u> | <u>JUNE 30, 2019</u> | <u>JUNE 30, 2018</u> | <u>JUNE 30, 2017</u> |
| School's proportion of the net OPEB liability | 0.3672% | 0.3063% | 0.2903% | 0.2718% | 0.2334% | 0.1867% |
| School's proportion of the net OPEB liability - dollar value | \$ 31,126,515 | \$ 30,886,765 | \$ 30,225,825 | \$ 21,660,108 | \$ 19,161,282 | \$ 15,409,745 |
| School's covered employee payroll | \$ 8,739,743 | \$ 6,929,221 | \$ 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 | 356.15% | 481.75% | 471.44% | 373.82% | 403.04% | 414.10% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 6.43% | 6.06% | 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**

| <u>CONTRIBUTIONS</u> | <u>JUNE 30, 2023</u> | <u>JUNE 30, 2022</u> | <u>JUNE 30, 2021</u> | <u>JUNE 30, 2020</u> | <u>JUNE 30, 2019</u> | <u>JUNE 30, 2018</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution | \$ 1,571,522 | \$ 1,003,382 | \$ 817,824 | \$ 802,196 | \$ 683,069 | \$ 524,241 |
| Contributions in relation to the contractually required contribution | <u>1,571,522</u> | <u>1,003,382</u> | <u>817,824</u> | <u>802,196</u> | <u>683,069</u> | <u>524,241</u> |
| Contribution excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School's covered employee payroll | \$ 10,491,543 | \$ 8,739,743 | \$ 6,929,221 | \$ 6,411,405 | \$ 5,794,303 | \$ 4,754,194 |
| Contributions as a percentage of covered employee payroll | 14.98% | 11.48% | 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, 2023**

| | State Allocation | Local Funding | Federal Funding | Total |
|--|---------------------|---------------------|--------------------|---------------------|
| ASSETS | | | | |
| Cash and pooled cash | \$ 626,920 | \$ 5,621,164 | \$ - | \$ 6,248,084 |
| Accounts receivable | - | - | 2,405 | 2,405 |
| Prepaid expenditures | - | 25,685 | - | 25,685 |
| TOTAL ASSETS | <u>\$ 626,920</u> | <u>\$ 5,646,849</u> | <u>\$ 2,405</u> | <u>\$ 6,276,174</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ - | \$ 56,230 | \$ - | \$ 56,230 |
| Accrued salaries and related costs | - | 2,072,625 | 2,405 | 2,075,030 |
| TOTAL LIABILITIES | <u>-</u> | <u>2,128,855</u> | <u>2,405</u> | <u>2,131,260</u> |
| FUND BALANCES | | | | |
| Nonspendable | - | 25,685 | - | 25,685 |
| Unassigned | 626,920 | 3,492,309 | - | 4,119,229 |
| TOTAL FUND BALANCES | <u>626,920</u> | <u>3,517,994</u> | <u>-</u> | <u>4,144,914</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 626,920</u> | <u>\$ 5,646,849</u> | <u>\$ 2,405</u> | <u>\$ 6,276,174</u> |

LAS AMÉRICAS ASPIRA ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

| | State Allocation | Local Funding | Federal Funding | Total |
|--|---------------------|---------------------|--------------------|---------------------|
| REVENUES | | | | |
| Charges to school districts | \$ - | \$ 6,925,438 | \$ - | \$ 6,925,438 |
| State aid | 14,026,660 | - | - | 14,026,660 |
| Federal aid | - | - | 1,480,570 | 1,480,570 |
| Interest income | - | 72,089 | - | 72,089 |
| Food service revenue | - | 218,150 | 635,823 | 853,973 |
| After care | - | 187,476 | - | 187,476 |
| Donations | - | 932,673 | - | 932,673 |
| Summer camp | - | 117,752 | - | 117,752 |
| TOTAL REVENUES | <u>14,021,170</u> | <u>8,608,437</u> | <u>2,116,393</u> | <u>24,746,000</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 9,745,505 | 5,735,988 | 1,455,204 | 16,936,697 |
| Operation and maintenance of facilities | 610,360 | 1,110,593 | 15,431 | 1,736,384 |
| Transportation | 1,292,102 | 33,406 | - | 1,325,508 |
| Food services | 213,869 | 12,989 | 635,823 | 862,681 |
| Capital outlays: | | | | |
| Property | - | 143,847 | - | 143,847 |
| Equipment | - | 473,116 | 9,935 | 483,051 |
| TOTAL EXPENDITURES | <u>11,861,836</u> | <u>7,509,939</u> | <u>2,116,393</u> | <u>21,488,168</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,159,334 | 1,098,498 | - | 3,257,832 |
| OTHER FINANCING USES: | | | | |
| Transfer out | (1,796,401) | (899,827) | - | (2,696,228) |
| TOTAL OTHER FINANCING USES | <u>(1,796,401)</u> | <u>(899,827)</u> | <u>-</u> | <u>(2,696,228)</u> |
| NET CHANGE IN FUND BALANCES | 362,933 | 198,671 | - | 561,604 |
| FUND BALANCES, BEGINNING OF YEAR | <u>263,987</u> | <u>3,319,323</u> | <u>-</u> | <u>3,583,310</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 626,920</u> | <u>\$ 3,517,994</u> | <u>\$ -</u> | <u>\$ 4,144,914</u> |

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES BY NATURAL CLASSIFICATION -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

EXPENDITURES

Current:

| | |
|--------------------------|---------------|
| Salaries | \$ 11,480,630 |
| Employment costs | 5,482,597 |
| Travel | 93,707 |
| Contractual services | 265,523 |
| Communications | 36,198 |
| Public utilities service | 311,919 |
| Insurance | 122,637 |
| Transportation - buses | 1,325,508 |
| Repairs and maintenance | 161,860 |
| Supplies and materials | 1,447,074 |
| Student activities | 133,617 |

Capital outlays:

| | |
|-----------|-----------|
| Property | 7,765,011 |
| Equipment | 643,415 |

Debt service:

| | |
|-----------|-----------|
| Principal | 340,000 |
| Interest | 1,826,200 |

TOTAL EXPENDITURES

\$ 31,435,896

SINGLE AUDIT SUPPLEMENT



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 26, 2023

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, 2023, 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 26, 2023.

Report on 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") as a basis for designing 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.

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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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



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

September 26, 2023

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Las Américas ASPIRA Academy's ("the School") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2023. The School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the School compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

Board of Directors
Las Américas ASPIRA Academy

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

| FEDERAL GRANTOR PROJECT TITLE | SOURCE CODE | FEDERAL ALN NUMBER | GRANT PERIOD BEGINNING/ ENDING DATES | GRANT AMOUNT | TOTAL RECEIVED FOR YEAR | ACCRUED (UNEARNED) REVENUE 06/30/22 | REVENUE RECOGNIZED | CURRENT YEAR EXPENDITURES | ACCRUED (UNEARNED) REVENUE 06/30/23 | PASSED THROUGH TO SUB-RECIPIENTS |
|--|-------------|--------------------|--------------------------------------|--------------|-------------------------|-------------------------------------|--------------------|---------------------------|-------------------------------------|----------------------------------|
| <u>U.S. Department of Agriculture</u> | | | | | | | | | | |
| <u>Passed through Delaware Department of Education</u> | | | | | | | | | | |
| National School Lunch Program | I | 10.555 | 07/01/22-06/30/23 | N/A | \$ 510,978 | \$ - | \$ 510,978 | \$ 510,978 | \$ - | \$ - |
| Total ALN #10.555 | | | | | 510,978 | - | 510,978 | 510,978 | - | - |
| Summer Food Program For Children | I | 10.559 | 07/01/22-06/30/23 | N/A | 4,650 | - | 4,650 | 4,650 | - | - |
| Total ALN #10.559 | | | | | 4,650 | - | 4,650 | 4,650 | - | - |
| Total Child Nutrition Cluster | | | | | 515,628 | - | 515,628 | 515,628 | - | - |
| Child and Adult Care Food Program | I | 10.558 | 07/01/22-06/30/23 | N/A | 120,195 | - | 120,195 | 120,195 | - | - |
| Total ALN #10.558 | | | | | 120,195 | - | 120,195 | 120,195 | - | - |
| Total U.S. Department of Agriculture | | | | | 635,823 | - | 635,823 | 635,823 | - | - |
| <u>U.S. Department of Education</u> | | | | | | | | | | |
| <u>Passed through Delaware Department of Education</u> | | | | | | | | | | |
| Title I - Grants to Local Education Agencies | I | 84.010 | 07/01/21-11/30/23 | \$ 306,256 | 80,677 | 80,677 | - | - | - | - |
| Title I - Grants to Local Education Agencies | I | 84.010 | 07/01/22-11/30/24 | 500,517 | 323,789 | - | 326,194 | 326,194 | 2,405 | - |
| Total ALN #84.010 | | | | | 404,466 | 80,677 | 326,194 | 326,194 | 2,405 | - |
| IDEA Part B | I | 84.027 | 07/01/21-11/30/23 | 235,611 | 58,889 | - | 58,889 | 58,889 | - | - |
| IDEA Part B | I | 84.027 | 07/01/22-11/30/24 | 267,730 | 171,781 | - | 171,781 | 171,781 | - | - |
| APR IDEA 611 X | I | 84.027 | 07/01/21-11/30/23 | 64,277 | 26,953 | - | 26,953 | 26,953 | - | - |
| Total ALN #84.027 | | | | | 257,623 | - | 257,623 | 257,623 | - | - |
| Special Education Preschool Grants | I | 84.173 | 07/01/21-09/30/23 | 6,831 | 3,175 | - | 3,175 | 3,175 | - | - |
| Special Education Preschool Grants | I | 84.173 | 07/01/22-09/30/24 | 7,490 | 5,986 | - | 5,986 | 5,986 | - | - |
| Total ALN #84.173 | | | | | 9,161 | - | 9,161 | 9,161 | - | - |
| Total Special Education Cluster | | | | | 266,784 | - | 266,784 | 266,784 | - | - |
| English Language Acquisition | I | 84.365 | 07/01/21-11/30/23 | 30,873 | 4,188 | - | 4,188 | 4,188 | - | - |
| English Language Acquisition | I | 84.365 | 07/01/22-11/30/24 | 37,376 | 17,766 | - | 17,766 | 17,766 | - | - |
| Total ALN #84.365 | | | | | 21,954 | - | 21,954 | 21,954 | - | - |
| Title II - Improving Teacher Quality State Grants | I | 84.367 | 07/01/21-11/30/23 | 75,283 | 32,016 | - | 32,016 | 32,016 | - | - |
| Title II - Improving Teacher Quality State Grants | I | 84.367 | 07/01/22-11/30/24 | 90,774 | 79,305 | - | 79,305 | 79,305 | - | - |
| Total ALN #84.367 | | | | | 111,321 | - | 111,321 | 111,321 | - | - |
| Title IV | I | 84.424 | 07/01/22-11/30/24 | 29,770 | 29,770 | - | 29,770 | 29,770 | - | - |

(Continued on next page.)

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

| <u>FEDERAL GRANTOR PROJECT TITLE</u> | <u>SOURCE CODE</u> | <u>FEDERAL ALN NUMBER</u> | <u>GRANT PERIOD BEGINNING/ ENDING DATES</u> | <u>GRANT AMOUNT</u> | <u>TOTAL RECEIVED FOR YEAR</u> | <u>ACCRUED (UNEARNED) REVENUE 06/30/22</u> | <u>REVENUE RECOGNIZED</u> | <u>CURRENT YEAR EXPENDITURES</u> | <u>ACCRUED (UNEARNED) REVENUE 06/30/23</u> | <u>PASSED THROUGH TO SUB- RECIPIENTS</u> |
|--|------------------------|-----------------------------------|---|-------------------------|--|--|-------------------------------|--------------------------------------|--|--|
| <u>U.S. Department of Education</u> | | | | | | | | | | |
| <u>Passed through Delaware Department of Education</u> | | | | | | | | | | |
| Perkins Consolidated Grant - Career Tech | I | 84.048 | 07/01/21-11/30/23 | 42,838 | 24,017 | - | 24,017 | 24,017 | - | - |
| Perkins Consolidated Grant - Career Tech | I | 84.048 | 07/01/22-11/30/23 | 33,159 | 1,583 | - | 1,583 | 1,583 | - | - |
| Total ALN #84.048 | | | | | <u>25,600</u> | <u>-</u> | <u>25,600</u> | <u>25,600</u> | <u>-</u> | <u>-</u> |
| Education Stabilization Fund | I | 84.425D | 07/01/20-11/30/23 | 878,253 | 107,636 | - | 107,636 | 107,636 | - | - |
| Education Stabilization Fund | I | 84.425D | 07/01/22-11/30/24 | 1,997,363 | 588,179 | - | 588,179 | 588,179 | - | - |
| Education Stabilization Fund | I | 84.425D | 07/01/22-12/31/24 | 17,754 | 2,560 | - | 2,560 | 2,560 | - | - |
| Education Stabilization Fund | I | 84.425D | 07/01/22-12/31/24 | 8,029 | 572 | - | 572 | 572 | - | - |
| Total ALN #84.425 | | | | | <u>698,947</u> | <u>-</u> | <u>698,947</u> | <u>698,947</u> | <u>-</u> | <u>-</u> |
| Total U.S. Department of Education | | | | | <u>1,558,842</u> | <u>80,677</u> | <u>1,480,570</u> | <u>1,480,570</u> | <u>2,405</u> | <u>-</u> |
| TOTAL FEDERAL AWARDS | | | | | <u>\$ 2,194,665</u> | <u>\$ 80,677</u> | <u>\$ 2,116,393</u> | <u>\$ 2,116,393</u> | <u>\$ 2,405</u> | <u>\$ -</u> |

SOURCE CODE:

I = Indirect funding

LAS AMÉRICAS ASPIRA ACADEMY
NEWARK, DELAWARE

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% de minimis indirect cost rate allowed under the Uniform Guidance. For the year ended June 30, 2023, 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:

Assistance Listing Number
84.425D

Name of Federal Program or Cluster
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

LAS AMÉRICAS ASPIRA ACADEMY
NEWARK, DELAWARE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (cont'd)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

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.