



**LEAP Academy**  
UNIVERSITY SCHOOL

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
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## **INTRODUCTORY SECTION**

March 1, 2022

Members of the Board of Trustees  
Members of the LEAP Academy University Charter School Community  
County of Camden, New Jersey

Dear Board Members/School Community Members:

The annual comprehensive financial report of the LEAP Academy University Charter School for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the LEAP Academy University Charter School and its governing body, the Board of Trustees. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information generally presented on a multi-year basis. The School is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** As a public charter school, the LEAP Academy University Charter School, Inc. is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the Charter School are included in this report. The LEAP Academy Board of Trustees and its K-12 public charter school constitutes the reporting entity.

LEAP Academy provides a full range of educational services appropriate to grade levels K-12. These include regular, as well as special education for handicapped and special needs youngsters, and English as the Second Language services for students with limited proficiency of the English language. The Charter School completed the 2020-2021 fiscal year with 1,560 students. The following details the changes in the student enrollment of the Charter School since 1997:

**BOARD OF TRUSTEES**

**OFFICERS**

Gloria Bonilla-Santiago, Ph.D., **Chair & CEO**  
Michael Palis, Ph.D., **Vice-Chair**  
Antonio D. Tillis, Ph.D., **Rutgers-Camden  
Chancellor**

**PUBLIC MEMBERS**

Dr. Mathew Closter  
Jonathan Gonzalez  
John Hall  
Anthony M. Lowman  
Margaret Manthe  
Cal Maradonna  
Bette Mengesha  
Yosmeriz Roman, Ph.D.  
Omar Samaniego  
Margo Venable

**PARENT REPRESENTATIVES**

Mathew Goodwin  
Hector Nieves  
Brenda Ortiz  
Lisa Wright

**CHIEF OPERATIONS OFFICER/LEAD PERSON**

Stephanie Rogers

**CHIEF ACADEMIC OFFICER**

Joizian Molina

**CHIEF FINANCIAL OFFICER/SBA**

Yusein Durakov

**CHIEF MEDICAL OFFICER**

Dr. Velmina Rivera

**BOARD LIAISON**

Wanda I. Garcia, MSW, MS

**STEM ELEMENTARY**

639 Cooper Street, Camden, NJ 08102  
(856) 614-5600

**STEM UPPER ELEMENTARY**

532 Cooper Street, Camden, NJ 08102  
(856) 614-0400

**STEM INTERMEDIATE**

549 Cooper Street, Camden, NJ 08102  
(856) 614-3292/3290

**STEAM HIGH SCHOOL**

130 North Broadway, Camden, NJ 08102  
(856) 614-0400

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2020-2021	1,560	1.28%
2019-2020	1,540	1.99%
2018-2019	1,510	-9.8%
2017-2018	1,525	-2.1%
2016-2017	1,558	8.49%
2015-2016	1,436	4.89%
2014-2015	1,369	4.26%
2013-2014	1,313	9.96%
2012-2013	1,194	38.8%
2011-2012	860	2.2%
2010-2011	751	-2.9%
2009-2010	774	2.2%
2008-2009	757	-1.3%
2007-2008	767	-0.13%
2006-2007	768	9.5%
2005-2006	701	3.0%
2004-2005	680	4.9%
2003-2004	648	9.0%
2002-2003	594	10.0%
2001-2002	540	11.1%
2000-2001	486	12.5%
1999-2000	432	14.2%
1998-1999	378	16.6%
1997-1998	324	

**OVERVIEW OF THE LEAP ACADEMY UNIVERSITY CHARTER SCHOOL:** LEAP Academy and all its stakeholders have continued to rally behind its founding mission to “enhance opportunities for the children and families of Camden through the collaborative design, implementation, and integration of education, health, and human services programs and through community development.” The unwavering commitment of all stakeholders of the LEAP Academy to its founding mission has sustained all members of the school community through one of the most challenging years on its history. The impact of COVID-19 coupled by the growing racial unrest and widening income inequality have heightened the vulnerability of our families and students. Uniting behind our mission, during the last year, LEAP teachers, students, staff, and parents endeavored in finding new approaches and normalizing innovation and creativity within the school's core to ensure that we address the fragility of our community by recommitting to make our school more just, inclusive, and resilient.

Our world has dramatically change, and we are meeting new challenges and the impact of learning loss and trauma through the integration of intensive, differentiated, and timely strategies to address the academic and social/emotional needs of our students. Over the last year and moving into the 2021-2022 school year, we have learned to reinvent ourselves and to seize the opportunity to also transform the ways in which we teach, relate, and nurture our students to become the transformational global citizens we envision. This 2020-2021 year made our school community take stock of our work and at a time of crisis, find new ways to support our families and each other.



As a result of COVID-19, student access to instruction and utilization of learning platforms oscillated among virtual, hybrid and in-person learning, as the school strived to keep students and staff safe. LEAP Academy managed to provide as many opportunities for students to come to school in-person and invested a myriad of resources for making our school an effective and safe learning environment while re-organizing physical spaces, increasing COVID testing and vaccination and always ensuring the use of masks.

Over the last 24 years, LEAP Academy has successfully set-in motion a collective process that has transformed public education in Camden City and has shown tremendous success with its record of high school graduation and college placement rates, since 2005 when the first seniors graduated from the school. In two decades, LEAP Academy has become a community and economic engine for the City, a hub for educational innovation and entrepreneurship, and most importantly a strategic partner with parents and children in the creation and implementation of a comprehensive school model that meets the needs of all family members and empowers student to succeed in college, career, and life.

Anchoring LEAP Academy's success has been its laser-sharp focus on closing the achievement gap and ensuring college preparation and completion for African American and Latino students by building a cradle to college and career educational pipeline along Cooper Street. The LEAP Academy Class of 2021 was the 17th consecutive graduating cohort to accomplish 100% college placement. Through the school's focus to college readiness, the school incorporated into its overall instructional structure opportunities for students to engage in dual college courses with Rutgers during their 10<sup>th</sup> and 11<sup>th</sup> grades. All students enrolled in Early College during their senior year through a partnership with Rutgers University and Rowan University. Collectively, the 2021 LEAP senior class amassed 1,644 total early college credits for an average of over 16.11 college credits per student, representing a full semester head start for these students as they enter their official first year of college. With recent trends in higher education toward drastically increased tuition costs at both public and private universities, these students have been afforded the opportunity to avoid on average over \$12,000 in tuition and fees after having completed over a full semester of undergraduate coursework as a result of their participation in the LEAP Early College program.

**ECONOMIC CONDITION AND OUTLOOK:** LEAP Academy is based in Camden City, a city that has struggled with poverty and violence. While the city has struggled with high level of poverty and an almost non-existent local economy, a sustained effort in the part of the State of New Jersey and a local economic development strategy has raised the level of opportunity and economic recovery for Camden. The most recent estimates from the U.S. Census Bureau show the city's poverty rate continues to fall and crime rates have decreased. New companies have moved in, existing institutions are completing exciting expansion projects and the city is working on a path to recovery. Higher education institutions such as Rutgers, Rowan University and Camden County College play major roles in the strengthening of the fabric of the city, both from an urban development and economic perspective. All three institutions are represented in the LEAP Academy Board of Trustees and participate in the school's early college and dual enrollment initiatives. LEAP is a major feeder into their student body, making the school college collaboration real and successful.

It is important to include in this discussion the inadequacies in funding of charter schools as part of the economic challenges we face. By design in New Jersey, charter schools do not receive facilities and only a portion of what the local district receives on per pupil basis. Charter schools do not receive adjusted aid and therefore the local district retains over \$6,000 for each student that attends a charter school. This funding scenario has resulted in a growing disparity between what charter school students receive and the aid that is available for other public-school students. Addressing the funding disparity in an equitable and fair way is critical to the long-term sustainability of charter schools in New Jersey.

**INTERNAL ACCOUNTING CONTROLS:** The managerial staff of the Charter School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the Charter School is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to a periodic evaluation by the School's management. As part of the School's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the School has complied with applicable laws and regulations.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as a reappropriation of fund balances in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

**ACCOUNTING SYSTEMS AND REPORTS:** The School's accounting records reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

**FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management.

**DEBT ADMINISTRATION:** The Charter School's outstanding debt, including the component unites, at the close of the fiscal year was \$26,606,795.36. This debt is for bonds issued for the construction of or improvements to school facilities, loans payable for the lower school facility including improvements to the flooring, construction of the S.T.E.M. building and for implementation of a wireless network and capital leases for school buses, computers, and furniture.

**CASH MANAGEMENT:** The investment policy of the School is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The School has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental units from a loss for funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

The School utilized Republic Bank as its main depository for school funds. The Business Administrator utilizes the investment vehicles available through Republic. This program meets the G.U.D.P.A. requirements. The school's funds are maintained in interest bearing accounts allowing the school to maximize interest and yet maintain the liquidity needed to meet its obligations.

**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability and comprehensive collision, hazard and theft insurance on property and contents and fidelity bonds.

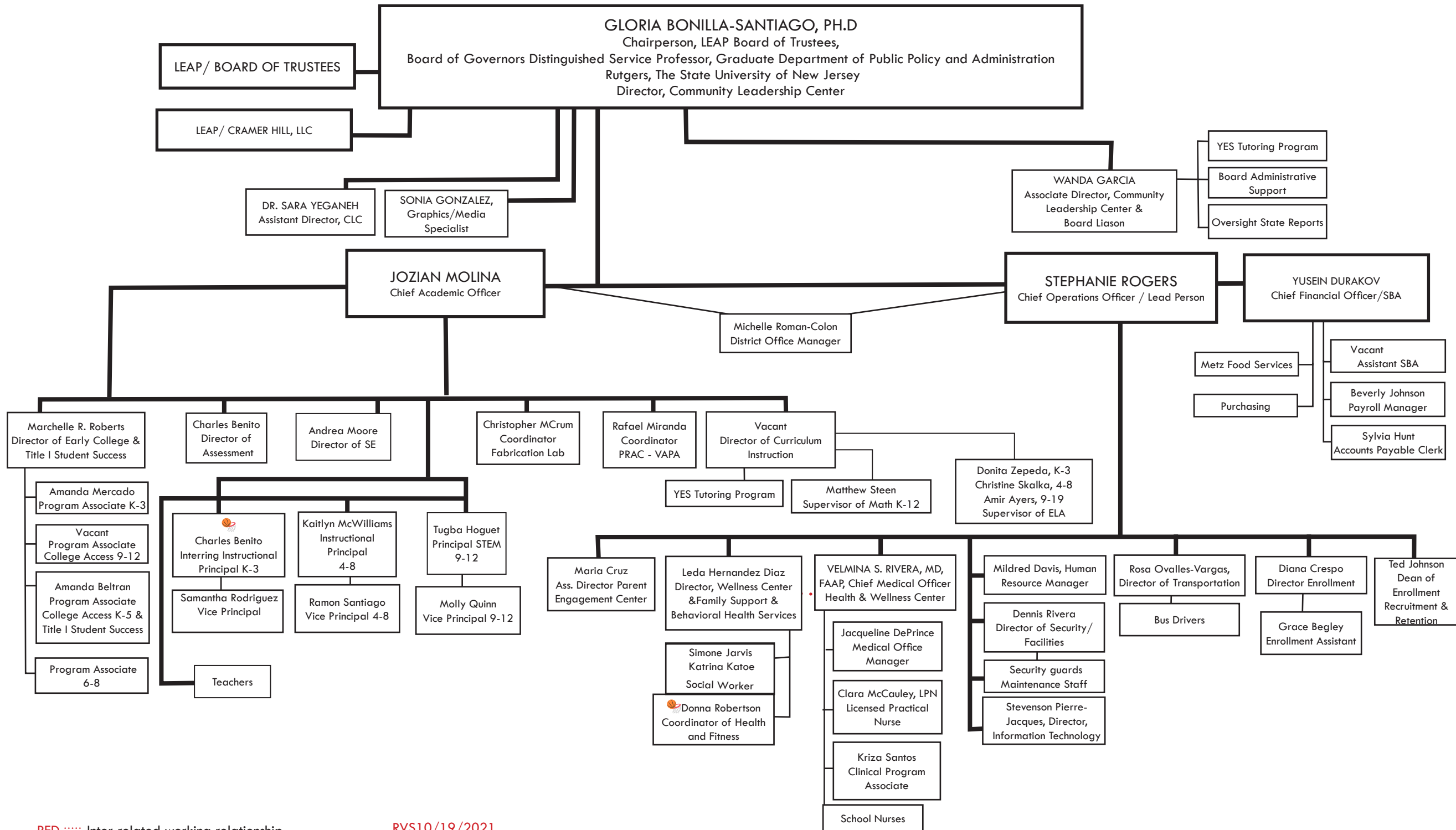
**OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the 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), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of the report.

**ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the LEAP Academy Board of Trustees for its concern in providing fiscal accountability to all stakeholders in the school community, as well as the sending districts and the Commissioner of Education and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff, school administrative team members, and the Finance Committee of the Board of Trustees.

Respectfully submitted,



Dr. Gloria Bonilla-Santiago  
Board Chair



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.  
CAMDEN, NEW JERSEY  
ROSTER OF OFFICIALS  
June 30, 2021**

**Members of the Board of Trustees**

**Officers:**

Gloria Bonilla-Santiago, Ph.D.	Chair
Michael Palis, Ph.D.	Vice-Chair

**Public Members:**

Dr. Mathew Closter  
Jonathan Gonzalez  
John Hall  
Dr. Anthony M. Lowman  
Cal Maradonna  
Bette Mengesha  
Dr. Yosmeriz Roman  
Omar Samaniego  
Margo Venable

**Parent Representatives:**

Mathew Goodwin  
Hector Nieves  
Lisa Wright  
Brenda Ortiz

**Staff:**

Stephanie Rogers	Chief Operations Office/Lead Person
Yusein Durakov	Chief Financial Officer/School Business Administrator
Yozian Molina	Chief Academic Officer
Wanda Garcia	Board Liaison

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.  
CAMDEN, NEW JERSEY**

**Consultants and Advisors**

**Audit Firm**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

**Attorneys**

Dilworth Paxson  
1500 Market St. 3500E  
Philadelphia, PA 19102

**Official Depositories**

TD Bank  
1701 Route 70 East  
Cherry Hill, NJ 08034

Republic Bank  
780 Route 70 W  
Marlton, NJ 08053

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
LEAP Academy University Charter School, Inc.  
Camden, New Jersey 08102

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component units and each major fund of the LEAP Academy University Charter School, Inc. in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component units and each major fund of the LEAP Academy University Charter School, Inc., in the County of Camden, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



## 24300

### **Emphasis of Matter**

#### *Adoption of New Accounting Principle*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2021, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

#### *Consistency of Financial Statements*

Because of the implementation of GASB Statement No. 84, several funds of the Charter School that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

#### *Prior Period Restatement*

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Charter School's proportionate share of the net pension liability, schedule of the Charter School's pension contributions, and schedule of changes in the Charter School's total OPEB liability and related ratios, as listed in the table of contents, 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LEAP Academy University Charter School, Inc.'s basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022 on our consideration of the LEAP Academy University Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LEAP Academy University Charter School, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LEAP Academy University Charter School, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
March 1, 2022

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Chairperson and  
Members of the Board of Trustees  
LEAP Academy University Charter School, Inc.  
Camden, New Jersey 08102

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the blended component units and each major fund of the LEAP Academy University Charter School, Inc., in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated March 1, 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the LEAP Academy University Charter School, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the LEAP Academy University Charter School, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the LEAP Academy University Charter School, Inc.'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*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 002459

Voorhees, New Jersey  
March 1, 2022

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

As management of the LEAP Academy University Charter School, Inc. (hereafter referred to as the "Charter School"), we offer readers of the Charter School's annual financial report this narrative overview and analysis of the financial activities for the fiscal year that ended on June 30, 2021. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. As required, certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

- The net position of the Charter School, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, totaled \$5,082,881.12 at the close of the current fiscal year. Of this amount, \$4,575,863.91 represents net position of governmental activities and \$507,017.21 for Business-Type activities. At June 30, 2020, these were \$2,622,881.87 and \$373,854.39 respectively.
- As of the close of the current fiscal year, the Charter School's governmental funds reported combined ending fund balances of \$6,958,288.46, an increase of \$1,948,329.27, in comparison with the prior fiscal year combined ending fund balances, which were \$5,009,959.19.
- Two additional component units have been included in the combined Annual Comprehensive Financial Report for the Fiscal Year Ended June 20, 2021. These are LEAP Student Transportation, LLC and LEAP Microenterprise, LLC.

### **USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT**

This annual comprehensive financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Charter School as a whole and present a longer-term view of the Charter School's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Charter School's operations in more detail than the government-wide statements by providing information about the Charter School's most significant funds.

#### **Reporting the Charter School as a Whole**

One of the most important questions asked about the Charter School's finances is, "Is the Charter School as a whole better off or worse off as a result of the fiscal year's activities?" The statement of net position and the statement of activities report information about the Charter School as a whole and about its activities in a way that helps answer this question.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. In these statements, the financial activity of LEAP Cramer Hill, LLC, LEAP STEM, LLC, LEAP Student Transportation, LLC, LEAP Microenterprise, LLC and LEAP Academy University Charter School, Inc. are blended and transactions between them are eliminated in the consolidated financial statements. All the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

Reporting the Charter School as a Whole (Cont'd)

These two statements report the Charter School's *net position* and changes in it. You can think of the Charter School's net position - which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources - as one way to measure the Charter School's financial health, or *financial position*. Over time, *increases or decreases* in the Charter School's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Charter School's revenue base and the condition of the Charter School's capital assets, to assess the *overall health* of the Charter School.

Reporting the Charter School's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the Charter School as a whole. As such, the financial activity of the component units, LEAP Cramer Hill, LLC, LEAP STEM, LLC, LEAP Student Transportation, LLC and LEAP Microenterprise, LLC are not presented in the fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Charter School can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* - governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Charter School maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and capital projects fund, which are all considered to be major funds.

The Charter School adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

*Proprietary Funds* - The Charter School maintains one type of proprietary fund; that being an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Charter School uses an enterprise fund to account for its food service program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the food service program. It is considered a major fund.

*Notes to the Financial Statements* - the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE

Table A-1 provides a summary of the Charter School's net position for fiscal years 2021 and 2020.

**Table A-1**  
**Statements of Net Position**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and Other Assets	\$ 9,847,085.64	\$ 7,882,871.62	\$ 338,238.33	\$ 224,364.58	#####	\$8,107,236.20
Capital Assets	<u>31,933,893.80</u>	<u>32,077,918.09</u>	<u>169,378.88</u>	<u>196,965.17</u>	<u>32,103,272.68</u>	<u>32,274,883.26</u>
<b>Total Assets</b>	<u>41,780,979.44</u>	<u>39,960,789.71</u>	<u>507,617.21</u>	<u>421,329.75</u>	<u>42,288,596.65</u>	<u>40,382,119.46</u>
Deferred Outflows of Resources - Related to Pensions	<u>3,974,250.00</u>	<u>5,538,285.00</u>			<u>3,974,250.00</u>	<u>5,538,285.00</u>
Long-term Liabilities	34,172,885.88	37,025,880.52			34,172,885.88	37,025,880.52
Other Liabilities	<u>3,093,431.65</u>	<u>2,224,696.32</u>	<u>600.00</u>	<u>47,475.36</u>	<u>3,094,031.65</u>	<u>2,272,171.68</u>
<b>Total Liabilities</b>	<u>37,266,317.53</u>	<u>39,250,576.84</u>	<u>600.00</u>	<u>47,475.36</u>	<u>37,266,917.53</u>	<u>39,298,052.20</u>
Deferred Inflows of Resources - Related to Pensions	<u>3,913,048.00</u>	<u>3,625,616.00</u>			<u>3,913,048.00</u>	<u>3,625,616.00</u>
Net Position						
Net Investment in Capital Assets	8,245,892.41	8,059,001.39	169,378.88	196,965.17	8,415,271.29	8,255,966.56
Restricted	2,325,418.27	2,214,050.31				2,214,050.31
Unrestricted (Deficit)	<u>(5,995,446.77)</u>	<u>(7,650,169.83)</u>	<u>337,638.33</u>	<u>176,889.22</u>	<u>(5,657,808.44)</u>	<u>(7,473,280.61)</u>
<b>Total Net Position</b>	<u>\$ 4,575,863.91</u>	<u>\$ 2,622,881.87</u>	<u>\$ 507,017.21</u>	<u>\$ 373,854.39</u>	<u>\$ 5,082,881.12</u>	<u>\$2,996,736.26</u>

**Governmental Activities**

In the governmental activities, total assets increased by \$1,820,189.73. Overall, the Charter School's cash position increased \$5,156,085.56 since June 30, 2020. Receivables decreased (\$66,046.69). Capital assets (net) decreased by (\$144,024.29) because the depreciation of existing assets exceeded the value of newly acquired capital assets.

Deferred outflows decreased (\$1,564,035.00) because of GASB 68 for the Charter School's participation in various pension plans.

Total liabilities decreased by (\$1,984,259.31). Most significant was a net decrease in noncurrent liabilities of (\$1,583,101.49). This included a decrease in bonds payable of (\$754,848.29); loans payable of (\$164,897.24); compensated absences of (\$22,950.15) and net pension liability of (\$1,158,030.00); offset with an increase in capital leases of \$507,624.19. Also contributing to the net decrease in liabilities were decrease for a short-term loan of (\$350,000.00); internal balances of (\$68,514.20); amounts payable to local government (\$25,659.95); unearned revenue of (\$3,500.00); offset by increases in accounts payable \$24,768.38; and accrued interest payable \$18,268.95.

Deferred inflows of resources increased by \$287,432.00 because of GASB 68 for the Charter School's participation in various pension plans.



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

**Governmental Activities (Cont'd)**

At June 30, 2021, net position was \$5,082,881.12, an increase of \$2,086,144.86 over the net position at June 30, 2020, which was \$2,996,736.26.

The largest portion of net position, \$8,245,892.41 is the Charter School's net investment in capital assets. This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The Charter School uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Charter School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources since the capital assets themselves cannot be used to liquidate these liabilities. At June 30, 2020, net investment in capital assets was \$8,059,001.39.

An additional component of the Charter School's net position represents resources that are restricted, which totaled \$2,257,637.45 consisting of amounts restricted for debt service, grant expenditures and other restricted purposes. At June 30, 2020, restricted net position was \$2,214,050.31.

The third and final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned two components of net position. At the end of the current fiscal year, the Charter School's unrestricted net position was a deficit of (\$5,995,446.77). At June 30, 2020, unrestricted deficit was (\$7,650,169.83).

**Business-Type Activities**

In the business-type activities, total assets increased \$86,287.46. The cash position decreased (\$140,740.45). Accounts receivable increased \$67,387.67. Inventories increased by \$852.84. Capital assets net of accumulated depreciation decreased by (\$27,586.29).

Liabilities decreased by (\$46,875.36). This includes accounts payable that decreased (\$46,875.36).

At June 30, 2021, net position was \$507,017.21 comprised of net investment in capital assets of \$169,378.88 and unrestricted net position of \$337,638.33. At June 30, 2020, net position was \$373,854.39 comprised of net investment in capital assets of \$196,965.17 and unrestricted net position of \$176,889.22.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Table A-2 reflects changes in net position for fiscal years 2021 and 2020.

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 8,566.72		\$ 69,472.57	\$ 275,041.45	\$ 87,629.29	\$ 275,041.45
Operating Grants and Contributions	8,643,716.19	\$ 5,898,615.12	1,277,127.47	743,550.02	9,920,843.66	6,642,165.14
Capital Grants and Contributions	28,176.26	61,136.22			28,176.26	61,136.22
<b>General revenues:</b>						
Charter School Aid	20,043,193.00	20,425,934.00			20,043,193.00	20,425,934.00
State and Federal Aid - Not Restricted	996,282.74	310,972.27			996,282.74	310,972.27
Investment Earnings	24,246.11	49,533.10	77.61	1,246.87	24,323.72	50,779.97
Miscellaneous Income	1425,474.19	572,443.38			1425,474.19	572,443.38
<b>Total Revenues</b>	<b>31,179,245.21</b>	<b>27,318,634.09</b>	<b>1,346,677.65</b>	<b>10,19,838.34</b>	<b>32,525,922.86</b>	<b>28,338,472.43</b>
<b>Expenses</b>						
Regular Instruction	9,225,185.15	8,609,789.72			9,225,185.15	8,609,789.72
Special Education Instruction	517,992.25	583,395.47			517,992.25	583,395.47
Bilingual Education Instruction	217,307.37	120,221.27			217,307.37	120,221.27
School Sponsored Extra Curricular Activities Instruction	15,603.11	3,200.00			15,603.11	3,200.00
School Sponsored Athletics Instruction	14,749.59	80,870.16			14,749.59	80,870.16
Summer School	16,075.00	90,196.00			16,075.00	90,196.00
Community Service Programs	696,559.75	559,795.24			696,559.75	559,795.24
<b>Support Services and Undistributed Costs:</b>						
Student and Instruction Related Services	2,463,328.28	2,323,990.93			2,463,328.28	2,323,990.93
School Administrative Services	847,631.91	1,196,541.34			847,631.91	1,196,541.34
Other Administrative Services	2,211,014.27	2,707,841.94			2,211,014.27	2,707,841.94
Plant Operations and Maintenance	1,827,054.39	2,143,560.05			1,827,054.39	2,143,560.05
Pupil Transportation	353,784.28	293,296.24			353,784.28	293,296.24
Unallocated Benefits	9,639,709.31	8,778,410.73			9,639,709.31	8,778,410.73
Interest on Long Term Debt	1,250,994.25	1,150,794.90			1,250,994.25	1,150,794.90
Food Services			1213,514.83	1081986.16	1213,514.83	1081986.16
<b>Total Expenses</b>	<b>29,296,988.91</b>	<b>28,641,903.99</b>	<b>1,213,514.83</b>	<b>1,081,986.16</b>	<b>30,510,503.74</b>	<b>29,723,890.15</b>
<b>Net Increase/(Decrease) in Net Position</b>	<b>1,882,256.30</b>	<b>(1,323,269.90)</b>	<b>133,162.82</b>	<b>(62,147.82)</b>	<b>2,015,419.12</b>	<b>(1,385,417.72)</b>
<b>Net Position -- July 1</b>	<b>2,622,881.87</b>	<b>3,946,151.77</b>	<b>373,854.39</b>	<b>436,002.21</b>	<b>2,996,736.26</b>	<b>4,382,153.98</b>
<b>Prior Period Adjustment</b>	<b>70,725.74</b>				<b>70,725.74</b>	
	<b>2,693,607.61</b>	<b>3,946,151.77</b>	<b>373,854.39</b>	<b>436,002.21</b>	<b>3,067,462.00</b>	<b>4,382,153.98</b>
<b>Net Position -- June 30</b>	<b>\$ 4,575,863.91</b>	<b>\$ 2,622,881.87</b>	<b>\$ 507,017.21</b>	<b>\$ 373,854.39</b>	<b>\$ 5,082,881.12</b>	<b>\$ 2,996,736.26</b>

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

**Governmental Activities**

During fiscal year 2021, the Charter School's total revenues increased by \$3,860,611.12 increasing from \$27,318,634.09 in fiscal year 2020 to \$31,179,245.21 in fiscal year 2021. The net increase in total revenues is largely attributable to the following:

- Operating Grants and Contributions increased \$2,745,101.07. This revenue includes restricted grants from federal and local sources and TPAF Social Security, Pensions and the post-retirement benefits, which are funded by the State of New Jersey.
- State and Federal Aid, which is not restricted, increased \$685,310.47. This revenue includes Adjustment Aid and Nonpublic Aid received direct from the State of New Jersey and federal SEMI Medicaid.
- Miscellaneous revenues increased \$853,030.81 from revenue generated by LEAP Student Transportation, LLC and LEAP Microenterprise, LLC.
- Due to GASB 84, the former fiduciary activity of the Student Activity/ Parent Unit Funds added \$18,156.72 for charges for services.
- Capital grants decreased (\$32,959.96). This revenue is realized when grants are used for the purchase of capital assets.
- Investment earnings decreased (\$25,286.99).
- The Charter School had a net decrease in Charter School Aid of (\$382,741.00). These revenues are Local Levy Equalization Aid State and Local Share, Security Aid and Special Education Aid.

During fiscal year 2021, the Charter School's total expenses increased by \$655,084.92, increasing from \$28,641,903.99 in fiscal year 2020 to \$29,296,988.91 in fiscal year 2021.

- Instruction increased \$519,239.85.
- Community service programs comprised of the clinic increased \$136,764.51.
- Student and instruction related services increased \$139,337.35.
- Administrative services decreased \$845,737.10.
- Plant operations and maintenance decreased \$316,505.66.
- Pupil transportation increased \$60,488.04.
- Employee benefits which include TPAF Social Security, Pensions and post-retirement benefits increased \$861,298.58.
- Interest on long-term debt increased \$100,199.35.

**Business-Type Activities**

For 2021, business-type revenues were \$1,346,677.65, a 32% increase over the 2020 revenues, which were \$1,019,838.34. This is primarily due to the school being closed beginning in March 2020 due to the COVID-19 pandemic and changes to the meal programs offered in fiscal year 2021 while the COVID-19 pandemic continued.

The largest sources of business-type revenues (95%) were for operating grants \$1,277,127.47. These were \$743,550.02 in 2020. Charges for services were \$69,472.57, 5% in 2021. Charges for services in 2020 were \$275,041.45. The remainder was for interest earnings which were \$77.61 in 2021 and \$1,246.87 in 2020.

Expenditures for business-type activities were \$1,213,514.83 in 2021, an increase of \$131,528.67 over expenditures of \$1,081,986.16 in 2020.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Table A-3 reflects the total cost of services in the governmental activities and the net cost offset with program revenues for fiscal years 2021 and 2020.

**Table A-3**  
**Net Cost of Governmental Activities**

	Source	2021		2020	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Governmental Activities:</b>					
Regular Instruction	A-2	\$ 9,225,185.15	\$ 7,618,758.08	\$ 8,609,789.72	\$ 7,944,874.76
Special Education Instruction	A-2	517,992.25	517,992.25	583,395.47	583,395.47
Bilingual Education Instruction	A-2	217,307.37	217,307.37	120,221.27	120,221.27
School Sponsored Extra Curricular Activities Instruction	A-2	15,603.11	15,603.11	3,200.00	3,200.00
School Sponsored Athletics Instruction	A-2	14,749.59	14,749.59	80,870.16	80,870.16
Summer School	A-2	16,075.00	16,075.00	90,196.00	90,196.00
Community Service Programs	A-2	696,559.75	696,559.75	559,795.24	559,795.24
Support Services and Undistributed Costs:					
Student and Instruction Related Services	A-2	2,463,328.28	1,393,610.49	2,323,990.93	1,596,110.06
School Administrative Services	A-2	847,631.91	847,631.91	1,196,541.34	1,196,541.34
Other Administrative Services	A-2	2,211,014.27	2,211,014.27	2,707,841.94	2,707,841.94
Plant Operations and Maintenance	A-2	1,827,054.39	1,827,054.39	2,143,560.05	2,143,560.05
Pupil Transportation	A-2	353,784.28	353,784.28	293,296.24	293,296.24
Unallocated Benefits	A-2	9,639,709.31	3,625,805.00	8,778,410.73	4,211,455.22
Interest on Long Term Debt	A-2	1,250,994.25	1,250,994.25	1,150,794.90	1,150,794.90
<b>Total Governmental Activities</b>		<b>\$ 29,296,988.91</b>	<b>\$ 20,606,939.74</b>	<b>\$28,641,903.99</b>	<b>\$22,682,152.65</b>

THE CHARTER SCHOOL'S FUNDS

Governmental Funds

As the Charter School completed the fiscal year, its governmental funds reported a *combined* fund balance of \$6,958,288.46, an increase of \$1,948,329.27 over the balance of \$5,009,959.19 at June 30, 2020. Of the combined ending fund balances, the general fund had an unassigned fund balance of \$2,688,807.91. The remainder of fund balances are restricted or assigned to indicate that it is not available for new spending because it has already been earmarked. These are (1) restricted for debt service reserve \$74,314.95; (2) restricted for a state mandated charter school escrow reserve \$75,000.00; (3) restricted by the Charter School's agreements with its financial institution \$3,000,000.00; (4) restricted in the special revenue fund for local grants \$48,851.90, Student Activity/ Parent Unit Fund \$67,554.68 and scholarships \$226.14; (5) restricted for an ongoing capital project \$918,793.97; or (6) assigned for fiscal year-end encumbrances \$84,738.81. As mentioned previously, the financial activity of LEAP Cramer Hill, LLC, LEAP STEM, LLC, LEAP Student Transportation, LLC and LEAP Microenterprise, LLE, of which LEAP Academy University Charter School, Inc. is the sole member is not included in the fund financial statements.

*General Fund* - The general fund is the general operating fund of the Charter School and is used to account for the inflows and outflows its of financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, the Charter School has an unassigned fund balance in the general fund of \$2,688,807.91.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL'S FUNDS (CONT'D)

*General Fund (Cont'd)* - During the current fiscal year, the fund balance of the Charter School's general fund increased \$1,934,765.62. The primary factors affecting the fund balance of the general fund are as follows:

Revenues increased \$1,318,211.23 from \$23,892,418.43 in 2020 to \$25,210,629.66 in 2021.

- An increase of \$650,142.52 from state sources, which include revenues passing through the students' district of residence, direct state aid and TPAF Social Security and Pension that are state funded.
- An increase in local revenues of \$647,520.24 which include revenues earned in its contract with Rutgers Preschool, the provision of transportation services, the clinic, donations and interest income.
- An increase in federal revenue of \$20,548.47 which is SEMI Medicaid.

There was a net decrease in expenditures of (\$658,573.07) from \$23,934,437.11 in fiscal year 2020 to \$23,275,864.04 in the current fiscal year.

- A decrease of (\$387,349.83) for instruction.
- A decrease of (\$224,747.56) for student and instruction related services.
- A decrease of (\$602,488.57) for school and other administrative services.
- A decrease of (348,149.50) for plant operations.
- An increase of \$150,946.40 for community service programs which includes the clinic.
- An increase of \$77,104.29 for pupil transportation.
- An increase of \$150,433.67 for employee benefits including TPAF Social Security and Pension that are state funded.
- An increase of \$138,950.29 for debt service.
- An increase of \$386,727.74 for capital outlay.

There were no Other Financing Sources and (Uses) in fiscal year 2021. For 2020, there was a net Other Financing Use of \$2,014,777.85 for the refinance of existing debt.

*Special Revenue Fund* - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, student activity funds and scholarship funds, that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Fiscal year 2021 activity resulted from the Charter School administering and operating programs funded by the following federal awards: Title I, Part A; Title II, Part A, Title III; Title III Immigrant; Title IV; and I.D.E.A. Part B, Education Stabilization Fund (CARES Act); Coronavirus Relief Fund, some local awards and the activity in the Student Activity/ Parent Unit Funds and the Scholarship Fund. Total revenues were \$3,001,892.03 and total expenditures were \$2,977,848.09 from these programs. In the prior year, revenues were \$1,624,892.72 and expenditures were \$1,617,188.22.

*Capital Projects Fund* - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from loans obtained for the specific capital purposes. At June 30, 2021, fund balance in the capital projects fund was \$918,793.97. At June 30, 2020, fund balance was \$1,000,000.00.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL'S FUNDS (CONT'D)

Proprietary Funds

*Food Service Fund* - as the Charter School completed the fiscal year, the Charter School's total net position of the food service fund was \$507,017.21, which was comprised of \$169,378.88 net investment in capital assets and \$337,638.33 unrestricted net position. During the fiscal year, the net position of the food service fund increased \$133,162.82 over the net position at June 30, 2020 of \$373,854.39.

General Fund Budgetary Highlights

During the fiscal year, the Charter School had a budget modification due to changes in various revenue sources. The final revenue anticipated was \$21,732,798.00, a decrease of (\$1,175,316.00) over the original anticipated revenue of \$22,908,114.00. Total budgeted revenues realized equaled \$25,210,629.66, which was \$3,477,831.66 in excess of the budget estimate. This excess was attributable to the Charter School's on-behalf T.P.A.F. pension contributions and T.P.A.F. Social Security Reimbursed that totaled \$3,086,157.14; local sources of \$351,179.78 and federal sources of \$40,494.74. These excesses were either amount that were not budgeted or revenue sources in excess of the amounts budgeted.

The final budgetary basis expenditure appropriation estimate was \$22,429,313.24. This is a decrease of (\$327,607.53) over the original budgeted estimate. Actual expenditures were \$23,275,864.04 and in excess of the final budget estimate by (\$846,550.80). Since expenditures include the amounts recorded for T.P.A.F. social security contributions and T.P.A.F. pension contributions mentioned under revenue above which is not budgeted, this excess is not an overexpenditure of any appropriations.

Special Revenue Fund Budgetary Highlights

Differences between the original budget and the final modified budget totaled \$664,636.82 (increase in budgeted revenues and appropriations). The modifications resulted from approved increases in federal awards, which were not known at the time the annual budget was adopted, the appropriation of local grant awards and establishing budgets for the student activity/ parent unit fund which do not have formally adopted budgets.

Capital Projects Fund Budgetary Highlights

For the fiscal year ended June 30, 2021, the budget for a capital project was \$1,000,000.00. Actual expenditures were \$92,926.03.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

The Charter School's capital asset balance for its governmental and business-type activities as of June 30, 2021 amounted to a historical cost of \$52,622,195.43, or \$32,103,272.68 net of accumulated depreciation (see Table A-4). This balance of capital assets includes land, buildings and improvements, equipment and vehicles. Capital assets decreased by (\$171,610.58) in fiscal year 2021 from fiscal year 2020. The key factors in this net increase are as follows:

- Improvements to real property increased \$435,279.00.
- Through acquisition, equipment increased \$129,162.00.
- Through acquisition, including a capital lease, vehicles increased \$791,309.68.
- Construction in Progress was established for costs incurred to date for an ongoing capital project for \$92,926.03
- From the depreciation on existing and newly acquired capital assets, accumulated depreciation increased \$1,620,287.29.

**Table A-4**

	Capital Assets (Net of Accumulated Depreciation)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 2,183,511.00	\$ 2,183,511.00			\$ 2,183,511.00	\$ 2,183,511.00
Construction in Progress	92,926.03				92,926.03	
Buildings & Bldg Improvements	42,238,081.37	41,802,802.37			42,238,081.37	41,802,802.37
Equipment	6,411,908.72	6,282,746.72	\$ 536,343.63	\$ 536,343.63	6,948,252.35	6,819,090.35
Vehicles	1,159,424.68	368,115.00			1,159,424.68	368,115.00
<b>Total Capital Assets</b>	<b>52,085,851.80</b>	<b>50,637,175.09</b>	<b>536,343.63</b>	<b>536,343.63</b>	<b>52,622,195.43</b>	<b>51,173,518.72</b>
Less: Accumulated Depreciation	(20,151,958.00)	(18,559,257.00)	(366,964.75)	(339,378.46)	(20,518,922.75)	(18,898,635.46)
<b>Net Capital Assets</b>	<b>\$ 31,933,893.80</b>	<b>\$ 32,077,918.09</b>	<b>\$ 169,378.88</b>	<b>\$ 196,965.17</b>	<b>\$ 32,103,272.68</b>	<b>\$ 32,274,883.26</b>

Additional information on the Charter School's capital assets can be found in note 5.

Long-term Debt

**General Obligation Bonds.** At the end of the current fiscal year, the Charter School and its component units LEAP Cramer Hill, LLC and LEAP STEM, LLC had \$20,473,625.96 of bonded debt outstanding that included general obligation bonds \$3,543,741.74 and charter school revenue bonds \$16,929,884.22 (including an unamortized premium on issuance of \$6,622.63) outstanding, a decrease of (\$854,848.29) from the last fiscal year.

**Loans Payable.** At the end of the current fiscal year, the Charter School had a balance of \$5,220,992.76.00 in loans payable, a decrease of (\$164,897.24) from the last fiscal year.

**Capital Leases.** At the end of the current fiscal year, the Charter School and its component units, LEAP Cramer Hill, LLC and LEAP Student Transportation, LLC had capital leases totaling \$912,176.64 outstanding, an increase of \$507,624.19 from the last fiscal year.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Long-term Debt (Cont'd)

*Compensated Absences.* At the end of the current fiscal year, the Charter School had a \$149,518.67 liability for compensated absences, a net decrease of (\$22,950.15) from the last fiscal year.

*Net Pension Liability.* At the end of the current fiscal year, the Charter School had a \$8,676,465.00 liability for its proportionate share of the net pension liability in the Public Employees' Retirement System; a net decrease of (\$1,158,030.00).

**FUTURE OUTLOOK**

The Charter School maintained its general fund budget through the revenue received from students' districts of residence for their equalization aid/local levy state and local share categorical aid specific for their students and from federal and state aid and miscellaneous revenue sources. Approximately 75% of total revenue in the general fund is from the local and state levy, 4% is from categorical aid, 16% from other state aid, 4% from other local sources and less than 1% is from federal sources.

**CONTACTING THE CHARTER SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our parents, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have any questions about this report or need additional information, contact the School Business Administrator, at LEAP Academy University Charter School, 130 North Broadway, Camden, New Jersey 08102.



## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Statement of Net Position  
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 3,113,285.72	\$ 38,090.20	\$ 3,151,375.92
Receivables, net (Note 3)	1,253,178.94	307,289.18	1,560,468.12
Internal Balances	12,201.00	(12,201.00)	
Restricted Cash and Cash Equivalents:			
For Grants	68,005.82		68,005.82
Deposits Held for Restricted Reserves	3,000,000.00		3,000,000.00
Deposits Held for Debt Service	1,102,498.86		1,102,498.86
Deposits Held for Capital Projects	1,000,000.00		1,000,000.00
Deposits Held for Long-Term Reserves	297,915.30		297,915.30
Inventories		5,059.95	5,059.95
Capital Assets, net (Note 5)	31,933,893.80	169,378.88	32,103,272.68
<b>Total Assets</b>	<b>41,780,979.44</b>	<b>507,617.21</b>	<b>42,288,596.65</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	3,974,250.00		3,974,250.00
<b>LIABILITIES:</b>			
Accounts Payable:			
Other	744,149.60	600.00	744,749.60
Related to Pensions	501,832.00		501,832.00
Payable to State Government	13,479.00		13,479.00
Payable to Local Government	364,772.12		364,772.12
Accrued Interest Payable	209,305.78		209,305.78
Noncurrent Liabilities (Note 7):			
Due within One Year	1,259,893.15		1,259,893.15
Due beyond One Year	34,172,885.88		34,172,885.88
<b>Total Liabilities</b>	<b>37,266,317.53</b>	<b>600.00</b>	<b>37,266,917.53</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	3,913,048.00		3,913,048.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	8,245,892.41	169,378.88	8,415,271.29
Restricted for:			
Debt Service	910,870.25		910,870.25
Student Activity/ Parent Unit	67,554.68		67,554.68
Scholarships	226.14		226.14
Local Grants	48,851.90		48,851.90
Other Purposes	1,297,915.30		1,297,915.30
Unrestricted (Deficit)	(5,995,446.77)	337,638.33	(5,657,808.44)
<b>Total Net Position</b>	<b>\$ 4,575,863.91</b>	<b>\$ 507,017.21</b>	<b>\$ 5,082,881.12</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Regular Instruction	\$ 9,225,185.15		\$ 1,606,427.07		\$ (7,618,758.08)		\$ (7,618,758.08)
Special Education Instruction	517,992.25				(517,992.25)		(517,992.25)
Bilingual Education Instruction	217,307.37				(217,307.37)		(217,307.37)
School Sponsored Extra Curricular Activities Instruction	15,603.11				(15,603.11)		(15,603.11)
School Sponsored Athletics Instruction	14,749.59				(14,749.59)		(14,749.59)
Summer School	16,075.00				(16,075.00)		(16,075.00)
Community Service Programs	696,559.75				(696,559.75)		(696,559.75)
Support Services and Undistributed Costs:							
Student and Instruction Related Services	2,463,328.28	\$ 18,156.72	1,023,384.81	\$ 28,176.26	(1,393,610.49)		(1,393,610.49)
School Administrative Services	847,631.91				(847,631.91)		(847,631.91)
General and Other Administrative Services	2,211,014.27				(2,211,014.27)		(2,211,014.27)
Plant Operations and Maintenance	1,827,054.39				(1,827,054.39)		(1,827,054.39)
Pupil Transportation	353,784.28				(353,784.28)		(353,784.28)
Unallocated Benefits	9,639,709.31		6,013,904.31		(3,625,805.00)		(3,625,805.00)
Interest on Long-Term Debt	1,250,994.25				(1,250,994.25)		(1,250,994.25)
<b>Total Governmental Activities</b>	<b>29,296,988.91</b>	<b>18,156.72</b>	<b>8,643,716.19</b>	<b>28,176.26</b>	<b>(20,606,939.74)</b>		<b>(20,606,939.74)</b>
Business-Type Activities:							
Food Service	1,213,514.83	69,472.57	1,277,127.47			\$ 133,085.21	133,085.21
<b>Total Business-Type Activities</b>	<b>1,213,514.83</b>	<b>69,472.57</b>	<b>1,277,127.47</b>			<b>133,085.21</b>	<b>133,085.21</b>
<b>Total Government</b>	<b>\$ 30,510,503.74</b>	<b>\$ 87,629.29</b>	<b>\$ 9,920,843.66</b>	<b>\$ 28,176.26</b>	<b>(20,606,939.74)</b>	<b>133,085.21</b>	<b>(20,473,854.53)</b>
General Revenues:							
Charter School Aid					20,043,193.00		20,043,193.00
State and Federal Aid - Not Restricted					996,282.74		996,282.74
Investment Earnings					24,114.49	77.61	24,192.10
Restricted Investment Earnings					131.62		131.62
Miscellaneous Income					1,425,474.19		1,425,474.19
<b>Total General Revenues</b>					<b>22,489,196.04</b>	<b>77.61</b>	<b>22,489,273.65</b>
<b>Change in Net Position</b>					<b>1,882,256.30</b>	<b>133,162.82</b>	<b>2,015,419.12</b>
Net Position -- July 1					2,622,881.87	373,854.39	2,996,736.26
Prior Period Adjustment					70,725.74		70,725.74
					<b>2,693,607.61</b>	<b>373,854.39</b>	<b>3,067,462.00</b>
<b>Net Position -- June 30</b>					<b>\$ 4,575,863.91</b>	<b>\$ 507,017.21</b>	<b>\$ 5,082,881.12</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Governmental Funds  
Balance Sheet  
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,533,632.87	\$ 68,005.82		\$ 2,601,638.69
Deposits Held for Restricted Reserves	3,000,000.00			3,000,000.00
Deposits Held for Capital Projects			\$ 1,000,000.00	1,000,000.00
Deposits Held for Debt Service	74,314.95			74,314.95
Deposits Held for Long-Term Reserves	75,000.00			75,000.00
Due from Other Funds:				
Special Revenue Fund	401,179.50			401,179.50
Capital Project Fund	64,853.60			64,853.60
Food Service Enterprise Fund	12,201.00			12,201.00
Intergovernmental Accounts Receivable:				
Federal		644,022.45		644,022.45
State	27,627.16			27,627.16
Other LEAs - State Aid	427,235.57			427,235.57
Accounts Receivable - Other	212,408.96	6,120.20		218,529.16
<b>Total Assets</b>	<b>\$ 6,828,453.61</b>	<b>\$ 718,148.47</b>	<b>\$ 1,000,000.00</b>	<b>\$ 8,546,602.08</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 389,613.92	\$ 200,336.25	\$ 16,352.43	\$ 606,302.60
Payroll Deductions and Withholdings	137,726.80			137,726.80
Payable to Other Funds:				
General Fund		401,179.50	64,853.60	466,033.10
Intergovernmental Accounts Payable:				
State Government	13,479.00			13,479.00
Other LEAs - State Aid	364,772.12			364,772.12
<b>Total Liabilities</b>	<b>905,591.84</b>	<b>601,515.75</b>	<b>81,206.03</b>	<b>1,588,313.62</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Debt Service Reserve	74,314.95			74,314.95
Charter School Escrow Reserve	75,000.00			75,000.00
Other Restricted Reserves	3,000,000.00			3,000,000.00
Special Revenue Fund		48,851.90		48,851.90
Capital Projects			918,793.97	918,793.97
Student Activity/ Parent Unit Fund		67,554.68		67,554.68
Scholarship Fund		226.14		226.14
<b>Assigned:</b>				
Other Purposes	84,738.91			84,738.91
<b>Unassigned:</b>				
General Fund	2,688,807.91			2,688,807.91
<b>Total Fund Balances</b>	<b>5,922,861.77</b>	<b>116,632.72</b>	<b>918,793.97</b>	<b>6,958,288.46</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,828,453.61</b>	<b>\$ 718,148.47</b>	<b>\$ 1,000,000.00</b>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$52,085,851.80, and the accumulated depreciation is \$20,151,958.00. 31,933,893.80

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds. (209,305.78)

Long-term liabilities, including bonds payable, loans payable, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (26,756,314.03)

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.  
 Governmental Funds  
 Balance Sheet  
 June 30, 2021

	<u>Total Governmental Funds</u>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because (Cont'd):</p>	
<p>In accordance with GASB 61, which requires the blended reporting of the Charter School's component units, LEAP Cramer Hill, LLC, LEAP STEM, LLC, LEAP Student Transportation, LLC and LEAP Microenterprise LLC balances maintained by the component units would be reported on the statement of net position:</p>	
Cash Balances	\$ 1,830,752.06
Accounts Receivable	76,417.10
Accounts Payable	(140,772.70)
Net Pension Liability	(8,676,465.00)
Accounts Payable related to the April 1, 2022 Required PERS pension contribution that is not to be liquidated with current financial resources.	(501,832.00)
Deferred Outflows of Resources - Related to Pensions	3,974,250.00
Deferred Inflows of Resources - Related to Pensions	<u>(3,913,048.00)</u>
Net position of governmental activities	<u><u>\$ 4,575,863.91</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Sources	\$ 1,084,996.78	\$ 140,542.43	\$ 11,720.00	\$ 1,237,259.21
State Sources	24,085,138.14			24,085,138.14
Federal Sources	40,494.74	2,861,349.60		2,901,844.34
<b>Total Revenues</b>	<b>25,210,629.66</b>	<b>3,001,892.03</b>	<b>11,720.00</b>	<b>28,224,241.69</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Regular Instruction	6,549,097.63	1,579,438.21		8,128,535.84
Special Education Instruction	517,992.25			517,992.25
Bilingual Education Instruction	217,307.37			217,307.37
School Sponsored Extra Curricular Activities Instruction	15,603.11			15,603.11
School Sponsored Athletics Instruction	14,749.59			14,749.59
Summer School	16,075.00			16,075.00
Community Service Programs	704,149.16			704,149.16
<b>Support Services and Undistributed Costs:</b>				
Student and Instruction Related Services	1,422,135.98	1,044,486.45		2,466,622.43
School Administrative Services	810,260.28			810,260.28
General and Other Administrative Services	2,134,087.29			2,134,087.29
Plant Operations and Maintenance	2,864,995.40			2,864,995.40
Pupil Transportation	342,640.53			342,640.53
Employee Benefits	3,014,211.92	325,747.17		3,339,959.09
TPAF Pension and Social Security	3,086,157.14			3,086,157.14
<b>Debt Service:</b>				
Capital Lease Principal	130,417.34			130,417.34
Bonds and Loan Principal	610,107.36			610,107.36
Interest on Current Loans	3,330.49			3,330.49
Interest on Lease Purchase Agreements	8,681.24			8,681.24
Bond and Loan Interest	277,600.22			277,600.22
Capital Outlay	536,264.74	28,176.26	92,926.03	657,367.03
<b>Total Expenditures</b>	<b>23,275,864.04</b>	<b>2,977,848.09</b>	<b>92,926.03</b>	<b>26,346,638.16</b>
<b>Net Change in Fund Balances</b>	<b>1,934,765.62</b>	<b>24,043.94</b>	<b>(81,206.03)</b>	<b>1,877,603.53</b>
Fund Balance -- July 1	3,988,096.15	21,863.04	1,000,000.00	5,009,959.19
Prior Period Adjustment	70,725.74	70,725.74		70,725.74
Fund Balance -- July 1 (Restated)	3,988,096.15	92,588.78	1,000,000.00	5,080,684.93
Fund Balance -- June 30	<b>\$ 5,922,861.77</b>	<b>\$ 116,632.72</b>	<b>\$ 918,793.97</b>	<b>\$ 6,958,288.46</b>

The accompanying Notes to Financial Statements are an integral part of this statement.



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds		\$ 1,877,603.53
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (1,592,701.00)	
Capital Outlays (B-2)	657,367.03	(935,333.97)
<p>Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		740,524.70
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an decrease in the reconciliation. (-)</p>		
		(961,382.30)
<p>The adoption of GASBS 61 requires the reporting of the Charter School's component unit, LEAP Cramer Hill, LLC, as a blended component unit on the statement of activities. Revenue and expenditure activity is not reported in the governmental funds.</p>		
		294,582.49
<p>In accordance with GASB 61, which requires the blended reporting of the Charter School's component unit, LEAP Cramer Hill, LLC, all revenue and expenditure transactions between the charter school and the component unit would be eliminated.</p>		
		1,456,535.70
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		22,950.15
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		(613,224.00)
Change in Net Position of Governmental Activities		\$ 1,882,256.30

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Proprietary Fund  
 Statement of Net Position  
 June 30, 2021

	Business-Type Activities <u>Enterprise Fund</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash	\$ 38,090.20
Accounts Receivable	15,124.05
Intergovernmental Accounts Receivable:	
State	8,013.91
Federal	284,151.22
Inventories	<u>5,059.95</u>
Total Current Assets	<u>350,439.33</u>
Noncurrent Assets:	
Equipment	536,343.63
Less Accumulated Depreciation	<u>(366,964.75)</u>
Total Noncurrent Assets	<u>169,378.88</u>
Total Assets	<u>519,818.21</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	600.00
Interfund Accounts Payable:	
Due to General Fund	<u>12,201.00</u>
Total Current Liabilities	<u>12,801.00</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	169,378.88
Unrestricted	<u>337,638.33</u>
Total Net Position	<u><u>\$ 507,017.21</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Proprietary Fund  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 3,556.92
Daily Sales - Non-Reimbursable Programs	6,998.05
Special Functions	520.00
Rutgers - ELRA Contract	58,322.60
Miscellaneous Revenue	75.00
	<u>69,472.57</u>
<b>OPERATING EXPENSES:</b>	
Salaries	491,054.09
Employee Benefits	72,877.81
Purchased Professional and Technical Services	2,708.00
Other Purchased Services	60,917.25
Cleaning, Repair and Maintenance Services	10,766.61
General Supplies	41,340.80
Depreciation	27,586.29
Other Objects	57,324.95
Cost of Sales - Reimbursable Programs	427,656.03
Cost of Sales - Nonreimbursable Programs	21,283.00
	<u>1,213,514.83</u>
Total Operating Expenses	<u>1,213,514.83</u>
Operating Income (Loss)	<u>(1,144,042.26)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	6,168.57
Seamless Summer Lunch Option - State	29,689.70
State Appropriation to Schools for Reduced Priced Meals:	
Breakfast	12.00
Lunch	15.20
Federal Sources:	
National School Lunch Program	1,202.65
Healthy Hungry Kids Lunch Program	11,730.04
Seamless Summer Lunch Option	590,311.31
Emergency Operational Costs Reimbursement Program	177,590.80
National School Breakfast Program	802.04
Seamless Summer Breakfast Option	381,878.98
Food Distribution Program	74,663.18
P-EBT Administrative Cost Reimbursement	3,063.00
Interest and Investment Revenue	77.61
	<u>1,277,205.08</u>
Total Nonoperating Revenues (Expenses)	<u>1,277,205.08</u>
Change in Net Position	133,162.82
Net Position -- July 1	<u>373,854.39</u>
Net Position -- June 30	<u>\$ 507,017.21</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Proprietary Fund  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 237,180.24
Payments to Employees	(491,054.09)
Payments for Employee Benefits	(72,877.81)
Payments to Suppliers	<u>(586,806.79)</u>
Net Cash Provided by (used for) Operating Activities	<u>(913,558.45)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State Sources	27,871.56
Federal Sources	<u>882,427.60</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>910,299.16</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>77.61</u>
Net Cash Provided by (used for) Investing Activities	<u>77.61</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,181.68)
Balance -- July 1	<u>41,271.88</u>
Balance -- June 30	<u>\$ 38,090.20</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (1,144,042.26)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	27,586.29
Food Distribution Program	74,663.18
(Increase) Decrease in Accounts Receivable, net	167,707.67
(Increase) Decrease in Inventories	7,402.03
Increase (Decrease) in Accounts Payable	<u>(46,875.36)</u>
Total Adjustments	<u>230,483.81</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (913,558.45)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the LEAP Academy University Charter School, Inc. (the "Charter School") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The Charter School is a K-12 charter school located in the County of Camden, State of New Jersey. It was created on October 15, 1996, through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a charter school, the LEAP Academy University Charter School, Inc. functions independently through a Board of Trustees (the "Board"). In accordance with the bylaws of the Charter School, the Board is to consist of no less than twelve and no more than twenty-five individuals. At least three trustees shall be public members representative of the corporate or philanthropic sectors and the broader elected and qualified. The Board's responsibility is to supervise and control the operations of the Charter School. The purpose of the Charter School is to educate students in grades K-12 at its four schools located in Camden, NJ. The Charter School has an approximate enrollment at June 30, 2021, of 1,575.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the Charter School over which the Board exercises operating control.

**Component Units**

In evaluating how to define the Charter School for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

Based upon the application of these criteria, the Charter School has determined that the following organizations are considered component units, and a brief description of each, relationship to the Charter School, rationale for inclusion in the basic financial statements, and how each component unit is reported (discrete or blended presentation), or included in the fiduciary fund financial statements is as follows:

LEAP Cramer Hill, LLC., 130 N. Broadway, Camden, New Jersey 08102 is a limited liability corporation formed to purchase the building located at 130 N. Broadway, Camden New Jersey. This building is used to educate students in grades 9 through 12.

LEAP STEM, LLC., 130 N. Broadway, Camden, New Jersey 08102 is a limited liability corporation formed to take ownership and refinance the loan on the building located at 528-544 Cooper Street, Camden New Jersey. This building is used to educate students in grades 4 and 5.

LEAP Student Transportation, LLC., 130 N. Broadway, Camden, New Jersey 08102 is a limited liability corporation formed to own and operate buses for student transportation.

LEAP Microenterprise, LLC., 130 N. Broadway, Camden, New Jersey 08102 is a limited liability corporation formed to sell products developed in collaboration with student initiatives.

In the accompanying consolidated financial statements, the component units have been blended with LEAP Academy University Charter School, Inc., the sole member of each of these component units. As sole member, the Charter School benefits from the revenues and is responsible for any outstanding debt. Intercompany transactions and balances have been eliminated in the blended government-wide financial statements.

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**Government-wide and Fund Financial Statements**

The Charter School's basic financial statements consist of government-wide statements, and fund financial statements, which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the Charter School to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues from the Charter School's student's district of residence and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the Charter School segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Charter School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues from the Charter School's student's district of residence are recognized as revenues in the year for which they are established based on enrollment. In accordance with New Jersey State Statute, the Charter School is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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 and claims and judgments, are recorded only when payment is due.

Revenues from the Charter School's student's district of residence, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

The Charter School reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the Charter School. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those, which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Charter Schools do not maintain debt service funds, therefore expenditures for principal and interest are accounted for in the general fund.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from temporary notes, serial bonds, or from the general fund by way of transfers from capital outlay or the capital reserve account.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the Charter School's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The Charter School reports the following major proprietary fund:

**Enterprise Funds**

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the Charter School.

As a general rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges 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 all Revenues from the Charter School's student's district of residence.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue and are submitted to the New Jersey Department of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on exhibit C-1, and exhibit C-2, includes all amendments to the adopted budget, if any.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control (Cont'd)**

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Charter School does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the Charter School has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey Charter Schools are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Charter Schools.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the district of residence of the Charter School or are non-resident students.

**Revenues from District of Residence, Region of Residence and Non-Resident Districts**

The Charter School's primary source of revenue is from the district of residence, region of residence or non-resident districts from which its students are enrolled in the Charter School. The amounts are calculated from the most recent budget data of the student's district.

**Local Levy – Equalization Aid State and Local Share** – The charter school's funding is pursuant to the *School Funding Reform Act of 2008*, which states the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the pre-budget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

**Special Education / Security Aid** – The school district of residence shall pay directly to the charter school the security aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The Charter School had no prepaid expenses for the fiscal year ended June 30, 2021.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Charter School, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Charter School. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The Charter School's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<b>Governmental Activities <u>Estimated Lives</u></b>	<b>Business-Type Activities <u>Estimated Lives</u></b>
Buildings and Improvements	10-50 Years	N/A
Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

The Charter School does not possess any infrastructure assets.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Charter School is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans, and postemployment benefit plans.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Compensated Absences (Cont'd)**

The Charter School uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Charter School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance**

The Charter School reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Charter School's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Charter School's highest level of decision-making authority, which, for the Charter School, is the Board of Trustees. Such formal action consists of an affirmative vote by the Board of Trustees, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Trustees removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Trustees or by the business administrator, to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Trustees.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Charter School to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Charter School to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accounting Estimates**

The preparation of 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.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The Charter School implemented the following GASB Statement for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Because of the implementation of Statement No. 84, the Charter School has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020, have been restated (note 19).

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the Charter School for fiscal years ending after June 30, 2021:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the Charter School in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Charter School.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect trust funds, salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2021, the Charter School's bank balances of \$9,310,612.95 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,203,324.62
Uninsured and Uncollateralized	<u>1,107,288.33</u>
Total	<u>\$ 9,310,612.95</u>

**Note 3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021, consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the Charter School's individual major funds, in the aggregate, are as follows:

	<b>Governmental Funds</b>			
	<b>Blended Component Units</b>	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Activities</b>
Federal Awards			\$ 644,022.45	\$ 644,022.45
State Awards		\$ 27,627.16		27,627.16
Local - LEA		427,235.57		427,235.57
Other	\$ 76,417.10	71,756.46	6,120.20	154,293.76
	<u>\$ 76,417.10</u>	<u>\$ 526,619.19</u>	<u>\$ 650,142.65</u>	<u>\$ 1,253,178.94</u>
	<b>Proprietary</b>			
	<b>Fund</b>			
	<b>Food Service Fund</b>	<b>Total Business- Type Activities</b>	<b>Total</b>	
Federal Awards	\$ 284,151.22	\$ 284,151.22	\$ 928,173.67	
State Awards	8,013.91	8,013.91	35,641.07	
Local - LEA			427,235.57	
Other	15,124.05	15,124.05	169,417.81	
	<u>\$ 307,289.18</u>	<u>\$ 307,289.18</u>	<u>\$ 1,560,468.12</u>	

**Note 4: INVENTORY**

Inventory recorded at June 30, 2021, in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Supplies	\$ 2,280.35
Food	<u>2,779.60</u>
	<u>\$ 5,059.95</u>

**Note 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Retirements/ Transfers	Balance June 30, 2021
Government Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 2,183,511.00			\$ 2,183,511.00
Construction in Progress		\$ 92,926.03		92,926.03
Total Capital Assets not being Depreciated	<u>2,183,511.00</u>	<u>92,926.03</u>		<u>2,276,437.03</u>
Capital Assets being Depreciated:				
Building and Improvements	41,802,802.37	435,279.00		42,238,081.37
Equipment	6,282,746.72	129,162.00		6,411,908.72
Vehicles	368,115.00	791,309.68 (1)		1,159,424.68
Total Capital Assets being Depreciated	<u>48,453,664.09</u>	<u>1,355,750.68</u>		<u>49,809,414.77</u>
Less Accumulated Depreciation for:				
Building and Improvements	(13,595,216.00)	(1,191,711.00)		(14,786,927.00)
Equipment	(4,722,346.00)	(348,108.00)		(5,070,454.00)
Vehicles	(241,695.00)	(52,882.00)		(294,577.00)
Total Accumulated Depreciation	<u>(18,559,257.00)</u>	<u>(1,592,701.00)</u>		<u>(20,151,958.00)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>29,894,407.09</u>	<u>(236,950.32)</u>		<u>29,657,456.77</u>
Government Activities Capital Assets, net	<u>\$ 32,077,918.09</u>	<u>\$ (144,024.29)</u>	<u>\$ -</u>	<u>\$ 31,933,893.80</u>

(1) Current year additions include school buses leased by LEAP Student Transportation LLC, a component unit of LEAP Academy University Charter School, Inc.

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Business-Type Activities:				
Equipment	\$ 536,343.63			\$ 536,343.63
Less Accumulated Depreciation for: Equipment	<u>(339,378.46)</u>	<u>\$ (27,586.29)</u>		<u>(366,964.75)</u>
Business-Type Activities Capital Assets, net	<u>\$ 196,965.17</u>	<u>\$ (27,586.29)</u>	<u>\$ -</u>	<u>\$ 169,378.88</u>



**Note 5: CAPITAL ASSETS (CONT'D)**

Depreciation expense was charged to functions / programs of the Charter School as follows:

**Governmental Activities:**

Instruction	\$ 1,096,036.88
Community Service Programs	1,407.00
Student and Instruction Related Services	2,242.00
School Administrative Services	29,703.00
General and Other Administrative Services	77,348.45
Plant Operations and Maintenance	324,515.67
Transportation	61,448.00
	<u>61,448.00</u>
Total Depreciation Expense	<u>\$ 1,592,701.00</u>

**Business-Type Activities:**

Food Service Operations	<u>\$ 27,586.29</u>
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**Note 6: SHORT-TERM OBLIGATIONS**

The following represents short-term debt activity for the fiscal year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>
Lines of Credit:				
General Fund	\$ 350,000.00	\$ 176,816.00	\$ (526,816.00)	<u>                    </u>
	<u>\$ 350,000.00</u>	<u>\$ 176,816.00</u>	<u>\$ (526,816.00)</u>	<u>\$ -</u>

The line of credit for the General Fund was for cash flow for operating expenditures. The current line of credit for \$1,000,000.00 is renewed annually and has been renewed through May 1, 2022.

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>LEAP Academy University Charter School, Inc.</b>					
Bonds Payable:					
General Obligation Bonds	\$ 3,988,951.86	<u>                    </u>	\$ (445,210.12)	\$ 3,543,741.74	\$ 455,301.75
Total Bonds Payable	<u>3,988,951.86</u>	<u>                    </u>	<u>(445,210.12)</u>	<u>3,543,741.74</u>	<u>455,301.75</u>
Other Liabilities:					
Loans Payable	5,385,890.00		(164,897.24)	5,220,992.76	164,897.24
Capital Leases Payable	227,526.50		(130,417.34)	97,109.16	94,550.98
Compensated Absences	172,468.82	\$ 25,966.07	(48,916.22)	149,518.67	35,821.60
Net Pension Liability	9,834,495.00	8,293,303.00	(9,451,333.00)	8,676,465.00	<u>                    </u>
Total Other Liabilities	<u>15,620,380.32</u>	<u>8,319,269.07</u>	<u>(9,795,563.80)</u>	<u>14,144,085.59</u>	<u>295,269.82</u>
Total Charter School	<u>19,609,332.18</u>	<u>8,319,269.07</u>	<u>(10,240,773.92)</u>	<u>17,687,827.33</u>	<u>750,571.57</u>

**Note 7: LONG-TERM LIABILITIES (CONT'D)**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities (Cont'd):</b>					
<b>LEAP Cramer Hill, LLC (Component Unit):</b>					
Bonds Payable:					
Charter School Revenue Bonds:					
Series 2014A Tax Exempt	\$ 9,500,000.00			\$ 9,500,000.00	
Series 2014B Taxable	500,000.00		\$ (120,000.00)	380,000.00	\$ 125,000.00
Add Amount:					
Issuance Premium	6,851.00		(228.37)	6,622.63	
Total Bonds Payable	<u>10,006,851.00</u>		<u>(120,228.37)</u>	<u>9,886,622.63</u>	<u>125,000.00</u>
Other Liabilities:					
Capital Leases Payable	177,025.95		(76,396.95)	100,629.00	80,031.93
Total Other Liabilities	<u>177,025.95</u>		<u>(76,396.95)</u>	<u>100,629.00</u>	<u>80,031.93</u>
Total LEAP Cramer Hill, LLC.	<u>10,183,876.95</u>		<u>(196,625.32)</u>	<u>9,987,251.63</u>	<u>205,031.93</u>
<b>LEAP STEM, LLC (Component Unit):</b>					
Bonds Payable:					
Series 2018 Tax Exempt	7,232,671.39		(189,409.80)	7,043,261.59	197,215.92
Total Bonds Payable	<u>7,232,671.39</u>		<u>(189,409.80)</u>	<u>7,043,261.59</u>	<u>197,215.92</u>
Total LEAP STEM, LLC.	<u>7,232,671.39</u>		<u>(189,409.80)</u>	<u>7,043,261.59</u>	<u>197,215.92</u>
<b>LEAP Student Transportation, LLC (Component Unit):</b>					
Other Liabilities:					
Capital Leases Payable		\$ 791,309.68	(76,871.20)	714,438.48	107,073.73
Total Bonds Payable		<u>791,309.68</u>	<u>(76,871.20)</u>	<u>714,438.48</u>	<u>107,073.73</u>
Total LEAP Student Transportation, LLC.		<u>791,309.68</u>	<u>(76,871.20)</u>	<u>714,438.48</u>	<u>107,073.73</u>
Governmental Activities					
Long-term Liabilities	<u>\$ 37,025,880.52</u>	<u>\$ 9,110,578.75</u>	<u>\$ (10,703,680.24)</u>	<u>\$ 35,432,779.03</u>	<u>\$ 1,259,893.15</u>

The bonds payable, loans payable, obligations under capital lease, compensated absences, and net pension liability are liquidated by the general fund. Debt in the name of LEAP Cramer Hill, LLC, LEAP STEM, LLC and LEAP Student Transportation LLC, component units are liquidated in the general fund of the component units through use of rents received from LEAP Academy University Charter School, Inc.

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the Board of Trustees. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Charter School are general obligation bonds. The bonds will be paid from general fund revenues.

On September 29, 2014, LEAP Cramer Hill, LLC, of which LEAP Academy University Charter School, Inc. is the sole member, issued \$10,000,000.00 in New Jersey Economic Development Authority Charter School Revenue Bonds at interest rates varying from 5.125% to 8.00%. The bond issuance consists of \$9,500,000.00 Series 2014A (Tax-Exempt) and \$500,000.00 Series 2014B (Taxable) bonds. The proceeds were used for (i) retrofitting a 12-story, approximately 73,000 square foot building to be used as a Pre K-12 school facility, (ii) refinancing a portion of a commercial loan used to acquire the building, (iii) funding capitalized interest on the Bonds during the construction period, (iv) funding a debt service fund, and (v) funding the costs of issuing the bonds. The payment of interest began during the fiscal year ended June 30, 2015; however, the first payment of principal was October 1, 2020. The final maturity of the taxable bonds is October 1, 2023, and the final maturity for the tax-exempt bonds is October 1, 2049.

**Note 7: LONG-TERM LIABILITIES (CONT'D)****Bonds Payable (Cont'd)**

On October 5, 2015, the Charter School issued \$5,940,000.00 Economic Development Refunding Bonds through the New Jersey Economic Development Authority to refund \$5,825,000.00 Charter School Project Bonds, Series 2003 mentioned previously and cover issuance costs of \$115,000.00. At an interest rate of 2.240%, monthly principal and interest payments began on November 1, 2015, and continue through September 1, 2028.

On December 1, 2018, LEAP STEM, LLC, of which LEAP Academy University Charter School, Inc. is the sole member, issued \$7,500,000.00 in New Jersey Economic Development Authority Charter School Revenue Bonds at an interest rate fixed at 3.99% for seven (7) years at which time there will be a rate reset for each subsequent five (5) year period. The rate will be set at 225 basis points above the five (5) year treasury rate to arrive at the Bank's tax equivalent rate and then adjusted to the tax-free rate. No interest rate reset will exceed the previous interest rate by more than 200 basis points and no interest rate reset over the life of the debt will exceed the initial interest rate by more than 500 basis points. The proceeds satisfied a bridge loan of LEAP Academy University Charter School, Inc. that satisfied its outstanding loans with TRF NMTC Fund XV, LP c/o The Reinvestment Fund, Inc. This bond financing is for the school facility located at 528-544 Cooper Street in Camden. Monthly payments of principal and interest began on January 1, 2019. The final maturity of the bonds is December 1, 2043.

Principal and interest due on bonds outstanding are as follows:

<b>Fiscal Year</b> <b><u>Ending June 30.</u></b>	<b>LEAP Academy University Charter School, Inc.</b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 455,301.75	\$ 74,726.97	\$ 530,028.72
2023	465,605.90	64,422.84	530,028.74
2024	476,143.20	53,885.52	530,028.72
2025	486,919.00	43,109.74	530,028.74
2026	497,938.68	32,090.06	530,028.74
2027-2029	1,161,833.21	30,543.71	1,192,376.92
	<u>3,543,741.74</u>	<u>298,778.84</u>	<u>3,842,520.58</u>
	<b>LEAP Cramer Hill, LLC (Component Unit)</b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 125,000.00	\$ 610,930.00	\$ 735,930.00
2023	140,000.00	600,330.00	740,330.00
2024	150,000.00	589,233.13	739,233.13
2025	165,000.00	579,508.13	744,508.13
2026	170,000.00	570,180.00	740,180.00
2027-2031	1,005,000.00	2,681,250.00	3,686,250.00
2032-2036	1,335,000.00	2,332,350.00	3,667,350.00
2037-2041	1,805,000.00	1,853,645.00	3,658,645.00
2042-2046	2,435,000.00	1,201,750.00	3,636,750.00
2047-2050	2,550,000.00	333,270.00	2,883,270.00
	<u>9,880,000.00</u>	<u>11,352,446.26</u>	<u>21,232,446.26</u>

(Continued)

**Note 7: LONG-TERM LIABILITIES (CONT'D)****Bonds Payable (Cont'd)**

Principal and interest due on bonds outstanding is as follows (Cont'd):

	<b>LEAP STEM, LLC (Component Unit)</b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 195,956.64	\$ 281,356.32	\$ 477,312.96
2023	204,032.55	273,280.41	477,312.96
2024	211,713.01	265,599.95	477,312.96
2025	221,166.52	256,146.44	477,312.96
2026	230,281.41	247,031.55	477,312.96
2027-2031	1,301,128.38	1,085,436.42	2,386,564.80
2032-2036	1,592,028.19	794,536.61	2,386,564.80
2037-2041	1,949,016.11	437,548.69	2,386,564.80
2042-2044	1,137,938.78	61,091.44	1,199,030.22
	<u>7,043,261.59</u>	<u>3,702,027.83</u>	<u>10,745,289.42</u>
Totals	<u>\$ 20,467,003.33</u>	<u>\$ 15,353,252.93</u>	<u>\$ 35,820,256.26</u>

**Bonds Authorized but not Issued** - As of June 30, 2021, the Charter School had no authorizations to issue additional bonded debt.

**Obligations under Capital Lease** - The Charter School is leasing computer equipment totaling \$245,386.40, furniture totaling \$365,708.00 and two school buses totaling \$176,999.34 under capital leases. In the component units, LEAP Cramer Hill, LLC is leasing computer equipment totaling \$369,696.00 and LEAP Student Transportation, LLC is leasing seven school buses totaling \$791,309.68. All capital leases are for terms of five to seven years. Capital leases are depreciated in a manner consistent with the Charter School's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

<b>Fiscal Year</b>	<b>LEAP Academy University Charter School, Inc.</b>			
	<b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022		\$ 76,303.79	\$ 3,054.81	\$ 79,358.60
2023		20,805.37	214.61	21,019.98
		<u>97,109.16</u>	<u>3,269.42</u>	<u>100,378.58</u>
		<b>LEAP Cramer Hill, LLC (Component Unit)</b>		
		<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022		80,031.93	2,671.59	82,703.52
2023		20,597.07	79.81	20,676.88
		<u>100,629.00</u>	<u>2,751.40</u>	<u>103,380.40</u>

**Note 7: LONG-TERM LIABILITIES (CONT'D)**

**Obligations under Capital Lease (Cont'd)** - The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021 (Cont'd).

	<b>LEAP Student Transportation, LLC (Component Unit)</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 107,073.73	\$ 33,290.27	\$ 140,364.00
2023	112,551.84	27,812.16	140,364.00
2024	118,310.19	22,053.81	140,364.00
2025	376,502.72	22,588.28	399,091.00
	<u>714,438.48</u>	<u>105,744.52</u>	<u>820,183.00</u>
Totals	<u>\$912,176.64</u>	<u>\$ 111,765.34</u>	<u>\$ 1,023,941.98</u>

**Loans Payable** - On June 30, 2020, the Charter School entered into a loan agreement with Republic First Bank d/b/a Republic Bank for \$5,385,890.00 to refinance existing debt for \$2,385,890.00 of the Charter School and of LEAP Cramer Hill, LLC, provide cash for liquidity reserves for \$2,000,000.00 and to fund improvements to the existing school facility at 527 Cooper Street, Camden, New Jersey. The loan requires monthly payments of principal and interest at a rate of 3.9% of \$32,516.26 which began August 1, 2020, and for fifty-nine months through June 1, 2025, and a balloon payment of \$4,441,073.84 on July 1, 2025. The Charter School expects to refinance this loan prior to the balloon payment.

Principal and interest due on this outstanding loan is as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 187,103.02	\$ 203,092.10	\$ 390,195.12
2023	194,636.96	195,558.16	390,195.12
2024	201,959.32	188,235.80	390,195.12
2025	210,606.35	179,588.77	390,195.12
2026	4,426,687.11	14,386.73	4,441,073.84
	<u>\$ 5,220,992.76</u>	<u>\$ 780,861.56</u>	<u>\$ 6,001,854.32</u>

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the Charter School's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 9. The Charter School's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Note 8: OPERATING LEASES**

At June 30, 2021, the Charter School had operating lease agreements in effect for copy machines, a mail machine, school buses, and a garage and lot. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 174,284.64
2023	142,025.76
2024	124,065.76
2025	35,256.72
	<u>\$ 475,632.88</u>

Rental payments under operating leases for the fiscal year ended June 30, 2021, were \$165,137.46.

**Note 9: PENSION PLANS**

A substantial number of the Charter School's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, certain Charter School employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Charter School, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS Board of Trustees is primarily responsible for the administration of the Plan.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Teachers' Pension and Annuity Fund** - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.



**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2021 was 23.19% of the Charter School's covered payroll, of which 0.00% of payroll was required from the Charter School and 100.00% of payroll was required from the State of New Jersey. The Charter School was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2021 was \$1,580,009.00, and was paid by April 1, 2021. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$534,966.30.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2020. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2021 was 18.24% of the Charter School's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Charter School's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$582,044.00, and was paid by April 1, 2021. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$210,463.67.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2021, the Charter School had no employees participating in this program.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

**Pension Liability** - At June 30, 2021, the Charter School was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the Charter School is as follows:

Charter School's Proportionate Share of Net Pension Liability

State of New Jersey's Proportionate Share of Net Pension Liability associated with the Charter School	\$ 45,913,687.00
	<u>\$ 45,913,687.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined.

At the June 30, 2020 measurement date, the Charter School proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the Charter School was 0.0697259315%, which was a decrease of (0.0002529179%) from its proportion measured as of June 30, 2019.

**Pension Expense** - For the fiscal year ended June 30, 2021, the Charter School recognized \$2,855,109.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

**Public Employees' Retirement System**

**Pension Liability** - At June 30, 2021, the Charter School reported a liability of \$8,676,465.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Charter School's proportion was 0.0532057436%, which was a decrease of (0.0013742947%) from its proportion measured as of June 30, 2019.

**Pension Expense** - For the fiscal year ended June 30, 2021, the Charter School recognized pension expense of \$1,195,269.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Deferred Outflows and Inflows of Resources** - At June 30, 2021, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 157,984.00	\$ 30,684.00
Changes of Assumptions	281,474.00	3,632,918.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	296,569.00	
Changes in Proportion and Differences between Charter School Contributions and Proportionate Share of Contributions	2,736,391.00	249,446.00
Charter School Contributions Subsequent to the Measurement Date	501,832.00	
	<u>\$ 3,974,250.00</u>	<u>\$ 3,913,048.00</u>

Deferred outflows of resources in the amount of \$501,832.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year <u>Ending June 30,</u></b>	
2022	\$ (162,295.00)
2023	(125,981.00)
2024	(2,142,684.00)
2025	2,049,536.00
2026	(59,206.00)
	<u>\$ (440,630.00)</u>

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Deferred Outflows and Inflows of Resources (Cont'd)** - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Charter School Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2019. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

<sup>(1)</sup> based on years of service

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2020 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rea Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes 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 member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes 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 member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

As previously mentioned TPAF has a special funding situation where the State pays 100% of the Charter School's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the Plan's measurement date, attributable to the Charter School is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2020 (Plan's measurement date), attributable to the Charter School, calculated using the discount rate of 5.40% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>TPAF</b>		
	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
Charter School's Proportionate Share of the Net Pension Liability			
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Charter School	\$ 53,931,003.00	\$ 45,913,687.00	\$ 39,256,652.00
	<u>\$ 53,931,003.00</u>	<u>\$ 45,913,687.00</u>	<u>\$ 39,256,652.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School's Proportionate Share of the Net Pension Liability	\$ 11,008,108.00	\$ 8,676,465.00	\$ 6,824,121.00
	<u>\$ 11,008,108.00</u>	<u>\$ 8,676,465.00</u>	<u>\$ 6,824,121.00</u>

**Note 9: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Contributions** - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan**

**Employees Covered by Benefit Terms** - At June 30, 2020, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	_____
	366,108

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The Charter School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the Charter School as of June 30, 2021 was \$20,375,754.00. Since the OPEB liability associated with the Charter School is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the Charter School was 0.0300483192%, which was an increase of 0.0034379369% from its proportion measured as of June 30, 2019.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

**Salary Increases -**

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 4.45%	3.00 - 7.00%	Applied to all Future Years

\* based on service years

**Inflation Rate** - 2.50%.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)**

**Mortality Rates** - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

**Experience Studies** - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate** - The discount rate for June 30, 2020 measurement date was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the Charter School:

Balance at June 30, 2020		\$ 11,104,268.00
Changes for the Year:		
Service Cost	\$ 1,658,181.00	
Interest Cost	440,718.00	
Difference between Expected and Actual Experience	3,794,610.00	
Changes in Assumptions	3,721,950.00	
Member Contributions	10,752.00	
Gross Benefit Payments	<u>(354,725.00)</u>	
Net Changes		<u>9,271,486.00</u>
Balance at June 30, 2021		<u>\$ 20,375,754.00</u>

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Differences between expected and actual experience reflect an increase in liability from June 30, 2019 to June 30, 2020 due to changes in the census, claims, and premiums experience.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Changes in assumptions reflect an increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the Charter School, using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School	<u>\$ 24,564,023.00</u>	<u>\$ 20,375,754.00</u>	<u>\$ 17,100,931.00</u>

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the Charter School, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<b>1% Decrease <u></u></b>	<b>Healthcare Cost Trend Rates <u></u></b>	<b>1% Increase <u></u></b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School	<u>\$ 16,447,996.00</u>	<u>\$ 20,375,754.00</u>	<u>\$ 25,052,841.00</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**OPEB Expense** - For the fiscal year ended June 30, 2021, the Charter School recognized \$2,253,384.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the Charter School. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the Charter School's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the Charter School; however, at June 30, 2021, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with Charter School, from the following sources are as follows:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between Expected and Actual Experience	\$ 3,093,570.00	\$ 2,755,642.00
Changes of Assumptions	3,465,849.00	2,324,989.00
Changes in Proportion	<u>2,938,608.00</u>	<u>1,701,408.00</u>
	<b><u>\$ 9,498,027.00</u></b>	<b><u>\$ 6,782,039.00</u></b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the Charter School, will be recognized in OPEB expense as follows:

<b><u>Fiscal Year Ending June 30,</u></b>	
2022	\$ 144,837.00
2023	144,837.00
2024	144,837.00
2025	144,837.00
2026	144,837.00
Thereafter	<u>1,991,803.00</u>
	<b><u>\$ 2,715,988.00</u></b>

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2021, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,872,791.00, \$35,632.00, \$598,070.00, and \$2,772.00, respectively.

**Note 12: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributions Method". Under this plan, the Charter School is provided with an experience rate by the State of New Jersey upon which required unemployment contributions are calculated.

**Joint Insurance Fund** - The Charter School is a member of the New Jersey Schools Insurance Group. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Liability other than Motor Vehicles  
Property Damage other than Motor Vehicles  
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are The Group publishes its own financial report for the fiscal year ended June 30, 2021, which can be obtained from:

New Jersey Schools Insurance Group Website:  
<http://www.njsig.org/financials.php>  
Excess Workers' Compensation

**Note 13: DEFERRED COMPENSATION**

The Charter School offers its employees a choice of three deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

AXA Advisors  
Lincoln  
Prime America

**Note 14: COMPENSATED ABSENCES**

The Charter School accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Per a LEAP Academy University Charter School, Inc. board policy adopted in May of 2010, the number of days of vacation leave to be paid out for employees is capped at 10 days unless another agreement is in place for that employee. Employees are not compensated for unused sick days upon their separation from the Charter School.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021, the liability for compensated absences reported on the government-wide statement of net position was \$149,518.67.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfunds** - The composition of interfund balances as of June 30, 2021, is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 478,234.10	
Special Revenue Fund		401,179.50
Capital Projects Fund		64,853.60
Proprietary Fund		12,201.00
	<u>\$ 478,234.10</u>	<u>\$ 478,234.10</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2022, the Charter School expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time, although the Charter School expects such amount, if any, to be immaterial.

**Note 17: CONCENTRATIONS**

The Charter School depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Charter School is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the Charter School's fund balance are summarized as follows:

**General Fund**

**For Charter School Escrow Reserve** - In accordance with the New Jersey Charter School agreement, the Charter School has established an escrow that is restricted for the possible costs associated with the dissolution of the charter school. Within five years of the signing of the agreement, the reserve must reach a balance of \$75,000.00. As of June 30, 2021, the balance of the escrow is \$75,000.00.

**For Debt Service** - In accordance with the Charter School's debt service agreements, amounts have been restricted for future debt service of \$74,314.95.

**Note 18: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)****General Fund (Cont'd)**

**Other Restricted Reserves** - In accordance with an agreement with the bank, the Charter School must maintain a minimum cash balance of \$3,000,000.00. At June 30, 2021, the Other Restricted Reserves for this purpose are \$3,000,000.00.

**Special Revenue Fund**

**For Scholarships** - The Charter School reports fund balance resulting from the receipt of an endowment to be used for scholarships. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2021, is \$226.14.

**For Student Activities/ Parent Unit** - In accordance with N.J.A.C. 6A:23A-16.12(c), each charter school shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from these funds is prohibited. The balance of these funds as of June 30, 2021, is \$67,554.68.

**For Local Grants** - As a result of the receipt of grants from local sources, which have not been expended, there is a restricted fund balance in the Special Revenue Fund at June 30, 2021 in the amount of \$48,851.90.

**Capital Projects Fund** - On June 30, 2020, the Charter School received loan proceeds that included \$1,000,000.00 for improvements to the school facility located 527 Cooper Street, Camden, New Jersey. As of June 30, 2021, the restricted fund balance amount was \$918,793.97.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the Charter School's fund balance are summarized as follows:

**General Fund**

**Other Purposes** - As of June 30, 2021, the Charter School had \$84,738.91 of encumbrances outstanding for purchase orders and contracts signed by the Charter School, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The Charter School's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2021, \$2,688,807.91 of general fund balance was unassigned.

**Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE**

For the fiscal year ended June 30, 2021, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the following net positions and fund balances as of July 1, 2020, have been restated. The following tables illustrate the restatements:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at July 1, 2020	\$ 2,622,881.87
Prior Period Adjustment(s):	
Reclassification of Net Position from Fiduciary Fund:	
Scholarship Fund	\$ 225.96
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>70,499.78</u>
Total Prior Period Adjustment(s)	<u>70,725.74</u>
Net Position as Restated, July 1, 2020	<u>\$ 2,693,607.61</u>
	<b><u>Special Revenue Fund</u></b>
Beginning Fund Balance as Previously Reported at July 1, 2020	\$ 21,863.04
Prior Period Adjustment(s):	
Reclassification of Scholarship Fund Net Position from Fiduciary Fund	\$ 225.96
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>70,499.78</u>
Total Prior Period Adjustment(s)	<u>70,725.74</u>
Fund Balance as Restated, July 1, 2020	<u>\$ 92,588.78</u>

**Note 20: SUBSEQUENT EVENTS**

**COVID-19** - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.



**REQUIRED SUPPLEMENTARY INFORMATION  
PART II  
BUDGETARY COMPARISON SCHEDULES**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 GENERAL FUND  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>REVENUES</u></b>					
Local Sources:					
Rutgers Preschool Contract	\$ 161,919.00		\$ 161,919.00	\$ 247,453.20	\$ 85,534.20
Revenue from Clinic				223,061.40	223,061.40
Transportation	300,000.00	\$ (95,456.00)	204,544.00	204,544.26	0.26
Miscellaneous Revenue	1,067,354.00	(700,000.00)	367,354.00	387,003.66	19,649.66
Restricted Interest Income				55.36	55.36
Interest and Other Revenue				22,878.90	22,878.90
	<u>1,529,273.00</u>	<u>(795,456.00)</u>	<u>733,817.00</u>	<u>1,084,996.78</u>	<u>351,179.78</u>
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
State and Local Share	20,147,403.00	(1,206,437.00)	18,940,966.00	19,023,629.00	82,663.00
Total - Local Levy/Equalization Aid	<u>20,147,403.00</u>	<u>(1,206,437.00)</u>	<u>18,940,966.00</u>	<u>19,023,629.00</u>	<u>82,663.00</u>
Categorical Aid:					
Special Education Aid	468,198.00	(47,145.00)	421,053.00	368,706.00	(52,347.00)
Security Aid	733,600.00	(52,426.00)	681,174.00	650,858.00	(30,316.00)
Total Categorical Aid	<u>1,201,798.00</u>	<u>(99,571.00)</u>	<u>1,102,227.00</u>	<u>1,019,564.00</u>	<u>(82,663.00)</u>
Total Charter School Aid	<u>21,349,201.00</u>	<u>(1,306,008.00)</u>	<u>20,043,193.00</u>	<u>20,043,193.00</u>	
Other State Sources:					
Non-Public State Aid		302,446.00	302,446.00	302,446.00	
Adjustment Aid	29,640.00	623,702.00	653,342.00	653,342.00	
On-behalf Contributions:					
T.P.A.F. Post-Retirement Medical				598,070.00	598,070.00
Teacher's Pension and Annuity Fund				1,872,791.00	1,872,791.00
T.P.A.F. Non-contributory Insurance				35,632.00	35,632.00
T.P.A.F. Long-Term Disability Insurance				2,772.00	2,772.00
Reimbursed TPAF Social Security Contributions				576,892.14	576,892.14

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 GENERAL FUND  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>REVENUES (Cont'd)</u></b>					
Total Other State Sources	\$ 29,640.00	\$ 926,148.00	\$ 955,788.00	\$ 4,041,945.14	\$ 3,086,157.14
Total - State Sources	21,378,841.00	(379,860.00)	20,998,981.00	24,085,138.14	3,086,157.14
Federal Sources: SEMI Medicaid				40,494.74	40,494.74
Total - Federal Sources				40,494.74	40,494.74
<b>Total Revenues</b>	<b>22,908,114.00</b>	<b>(1,175,316.00)</b>	<b>21,732,798.00</b>	<b>25,210,629.66</b>	<b>3,477,831.66</b>
<b><u>EXPENDITURES</u></b>					
<b>General Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	366,675.43	19,974.78	386,650.21	386,000.58	649.63
Grades 1-5	2,328,862.03	26,024.05	2,354,886.08	2,342,748.94	12137.14
Grades 6-8	1,300,462.65	(144,000.00)	1,156,462.65	1,133,455.20	23007.45
Grades 9-12	1,785,692.42	131,107.17	1,916,799.59	1,907,789.50	9,010.09
Regular Programs - Home Instruction:					
Purchased Professional Educational Services	15,000.00		15,000.00	6,482.50	8,517.50
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	415,265.04	54,766.48	470,031.52	237,068.72	232,962.80
Purchased Professional - Educational Services	579,545.00	(21,650.00)	557,895.00	410,297.50	147,597.50
General Supplies	136,388.52	(11,442.00)	124,946.52	43,602.34	81,344.18
Textbooks	117,698.10	6,534.00	124,232.10	80,351.83	43,880.27
Other Objects	42,111.16		42,111.16	1,300.52	40,810.64
Total Regular Programs - Instruction	7,087,700.35	61,314.48	7,149,014.83	6,549,097.63	599,917.20

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
GENERAL FUND  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Special Education Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 586,304.44		\$ 586,304.44	\$ 517,460.05	\$ 68,844.39
Total Resource Room / Resource Center	586,304.44		586,304.44	517,460.05	68,844.39
Homebound Instruction:					
Purchased Professional - Educational Services	15,000.00	\$ (3,120.00)	11,880.00	532.20	11,347.80
Total Homebound Instruction	15,000.00	(3,120.00)	11,880.00	532.20	11,347.80
Total Special Education - Instruction	601,304.44	(3,120.00)	598,184.44	517,992.25	80,192.19
Bilingual Education - Instruction:					
Salaries of Teachers	225,189.50	700.00	225,889.50	217,307.37	8,582.13
Total Bilingual Education - Instruction	225,189.50	700.00	225,889.50	217,307.37	8,582.13
School - Sponsored Cocurricular Activities - Instruction:					
Salaries		7,000.00	7,000.00	7,000.00	
Supplies and Materials	36,495.00		36,495.00	8,603.11	27,891.89
Total School - Sponsored Cocurricular Activities - Instruction	36,495.00	7,000.00	43,495.00	15,603.11	27,891.89
School - Sponsored Athletics - Instruction:					
Salaries	81,000.00	(51,000.00)	30,000.00		30,000.00
Purchased Services (300-500 Series)	7,000.00		7,000.00	2,725.00	4,275.00
Supplies and Materials	17,497.65		17,497.65	6,444.59	11,053.06
Other Objects	33,190.00		33,190.00	5,580.00	27,610.00
Total School - Sponsored Athletics - Instruction	138,687.65	(51,000.00)	87,687.65	14,749.59	72,938.06

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 GENERAL FUND  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Summer School - Instruction:					
Salaries of Teachers	\$ 75,506.00		\$ 75,506.00		\$ 75,506.00
Purchased Professional and Technical Services	16,075.00		16,075.00	\$ 16,075.00	
Total Summer School Instruction	91,581.00		91,581.00	16,075.00	75,506.00
Summer School - Support Services:					
Salaries of Teachers	3,888.00		3,888.00		3,888.00
Total Summer School Support Services	3,888.00		3,888.00		3,888.00
Total Summer School	95,469.00		95,469.00	16,075.00	79,394.00
Community Service Programs					
Salaries	510,731.00	\$ 109,345.74	620,076.74	620,075.58	1.16
Other Purchased Services (300-500 series)	45,600.00	(568.00)	45,032.00	34,124.61	10,907.39
Supplies and Materials	47,442.18	10,122.00	57,564.18	44,698.78	12,865.40
Other Objects	8,780.00		8,780.00	5,250.19	3,529.81
Total Community Service Programs	612,553.18	118,899.74	731,452.92	704,149.16	27,303.76
Total Instruction	8,797,399.12	133,794.22	8,931,193.34	8,034,974.11	896,219.23
Undistributed Expenditures - Attendance and Social Work:					
Salaries	269,901.60	(41,480.68)	228,420.92	228,420.92	
Salaries of Family Liaisons/Community Parent Involvement Specialists	70,000.00		70,000.00	69,999.84	0.16
Supplies and Materials		1,000.00	1,000.00	874.28	125.72
Total Undistributed Expenditures - Attendance and Social Work	339,901.60	(40,480.68)	299,420.92	299,295.04	125.88

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
GENERAL FUND  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Undistributed Expenditures - Health Services:					
Salaries	\$ 182,758.55	\$ (72,581.00)	\$ 110,177.55	\$ 109,292.23	\$ 885.32
Purchased Professional and Technical Services	21,250.00	(1,490.74)	19,759.26	973.25	18,786.01
Supplies and Materials	7,300.00		7,300.00	4,798.06	2,501.94
Total Undistributed Expenditures - Health Services	211,308.55	(74,071.74)	137,236.81	115,063.54	22,173.27
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	17,809.18		17,809.18	4,200.00	13,609.18
Total Undistributed Expenditures -Speech, OT, PT and Related Services	17,809.18		17,809.18	4,200.00	13,609.18
Undistributed Expenditures - Other Support Services Students - Extraordinary Services					
Salaries	27,165.97		27,165.97	22,862.45	4,303.52
Total Undistributed Expenditures - Other Support Services Students - Extraordinary Services	27,165.97		27,165.97	22,862.45	4,303.52
Undistributed Expenditures - Guidance Services:					
Other Salaries	220,442.20	(5,000.00)	215,442.20	187,901.87	27,540.33
Purchased Professional - Educational Services	332,400.00		332,400.00	327,777.72	4,622.28
Supplies and Materials	37,000.00	(36,190.00)	810.00		810.00
Total Undistributed Expenditures - Guidance Services	589,842.20	(41,190.00)	548,652.20	515,679.59	32,972.61
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	173,000.00	(359.00)	172,641.00	142,075.34	30,565.66
Purchased Professional - Educational Services	50,000.00	25,879.00	75,879.00	72,790.14	3,088.86
Supplies and Materials	1,229.03		1,229.03	877.03	352.00
Total Undistributed Expenditures - Child Study Teams	224,229.03	25,520.00	249,749.03	215,742.51	34,006.52

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
GENERAL FUND  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Undistributed Expenditures - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	\$ 311,761.76	\$ (60,721.76)	\$ 251,040.00	\$ 249,292.85	\$ 1,747.15
Total Undistributed Expenditures - Improvement of Instructional Services	311,761.76	(60,721.76)	251,040.00	249,292.85	1747.15
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	8,912.00	(3,550.00)	5,362.00		5,362.00
Total Undistributed Expenditures - Instructional Staff Training Services	8,912.00	(3,550.00)	5,362.00		5,362.00
Undistributed Expenditures - Support Services - General Administration:					
Salaries	195,334.00	(27,696.10)	167,637.90	140,700.76	26,937.14
Legal Services	75,000.00	55,690.00	130,690.00	118,828.41	11,861.59
Audit Fees	63,000.00	1,050.00	64,050.00	64,050.00	
Other Purchased Professional Services	385,918.60	(12,000.00)	373,918.60	366,113.23	7,805.37
Purchased Technical Services	8,200.00	(2,500.00)	5,700.00	4,151.84	1,548.16
Communications / Telephone	102,597.00	2,500.00	105,097.00	101,062.70	4,034.30
Miscellaneous Purchased Services (400-500 series)	55,430.00	2,028.34	57,458.34	52,914.16	4,544.18
Board of Trustees In-House Training / Meeting Supplies	2,000.00		2,000.00		2,000.00
Judgements Against Charter School	50,000.00		50,000.00		50,000.00
Miscellaneous Expenditures	38,000.00	(10,000.00)	28,000.00	16,954.85	11,045.15
Board of Trustees Membership Dues and Fees	31,370.00	1,000.00	32,370.00	21,460.00	10,910.00
Total Undistributed Expenditures - Support Services - General Administration	1,006,849.60	10,072.24	1,016,921.84	886,235.95	130,685.89
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals/ Program Directors	588,520.06	(78,013.61)	510,506.45	480,756.05	29,750.40
Salaries of Secretarial and Clerical Assistants	76,389.84	1,615.21	78,005.05	70,489.27	7,515.78
Other Salaries	165,000.00	9,750.00	174,750.00	174,442.06	307.94
Supplies and Materials	133,338.08	(30,000.00)	103,338.08	83,984.90	19,353.18
Other Objects	2,250.00		2,250.00	588.00	1,662.00
Total Undistributed Expenditures - Support Services - School Administration	965,497.98	(96,648.40)	868,849.58	810,260.28	58,589.30

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 GENERAL FUND  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Undistributed Expenditures - Central Services:					
Salaries	\$ 557,664.18	\$ 31,982.00	\$ 589,646.18	\$ 576,174.30	\$ 13,471.88
Purchased Professional Services	49,944.00		49,944.00	42,852.22	7,091.78
Public Relations	84,682.00	4,477.00	89,159.00	73,535.85	15,623.15
Miscellaneous Purchased Services	23,687.52	(8,891.00)	14,796.52	6,480.86	8,315.66
Supplies and Materials	8,361.58	190.00	8,551.58	8,019.84	531.74
Interest on Current Loans	26,250.00	(2,455.97)	23,794.03	3,330.49	20,463.54
Interest on Lease Purchase Agreements	33,682.25	(768.45)	32,913.80	8,681.24	24,232.56
Mortgage and Loan Interest	282,584.83	0.42	282,585.25	277,600.22	4,985.03
Miscellaneous Expenditures	273,248.10	6,684.00	279,932.10	259,659.81	20,272.29
<b>Total Undistributed Expenditures - Central Services</b>	<b>1,340,104.46</b>	<b>31,218.00</b>	<b>1,371,322.46</b>	<b>1,256,334.83</b>	<b>114,987.63</b>
Undistributed Expenditures - Administration of Information Technology:					
Salaries	258,564.12	14,591.07	273,155.19	273,155.19	
Purchased Professional Services	10,950.00	(1,475.06)	9,474.94	7,847.81	1,627.13
Supplies and Materials	85,685.66	(17,277.00)	68,408.66	58,341.78	10,066.88
<b>Total Undistributed Expenditures - Administration of Information Technology</b>	<b>355,199.78</b>	<b>(4,160.99)</b>	<b>351,038.79</b>	<b>339,344.78</b>	<b>11,694.01</b>
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	149,183.76	211,645.69	360,829.45	299,702.24	61,127.21
General Supplies	38,249.08	(3,372.62)	34,876.46	30,445.12	4,431.34
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>187,432.84</b>	<b>208,273.07</b>	<b>395,705.91</b>	<b>330,147.36</b>	<b>65,558.55</b>
Undistributed Expenditures - Custodial Services:					
Salaries	695,290.44	(296,675.00)	398,615.44	380,876.82	17,738.62
Rental of Land and Buildings Other Than Lease Purchase Agreement	1,346,651.75	1.00	1,346,652.75	1,332,096.70	14,556.05
Other Purchased Property Services	73,800.00	8,175.00	81,975.00	73,427.48	8,547.52
Insurance	120,000.00	2,159.00	122,159.00	122,159.00	
General Supplies	39,740.17	(14,270.00)	25,470.17	21,137.01	4,333.16
Energy - Electricity	334,000.00		334,000.00	315,244.83	18,755.17

(Continued)



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 GENERAL FUND  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Total Undistributed Expenditures - Custodial Services	\$ 2,609,482.36	\$ (300,610.00)	\$ 2,308,872.36	\$ 2,244,941.84	\$ 63,930.52
Undistributed Expenditures - Security:					
Salaries	353,725.00	2,607.00	356,332.00	289,906.20	66,425.80
General Supplies	3,150.00	1,120.45	4,270.45		4,270.45
Total Undistributed Expenditures - Security	356,875.00	3,727.45	360,602.45	289,906.20	70,696.25
Total Undistributed Expenditures - Operation and Maintenance of Plant	3,153,790.20	(88,609.48)	3,065,180.72	2,864,995.40	200,185.32
Undistributed Expenditures - Student Transportation Services:					
Salaries	338,078.18	(3,514.00)	334,564.18	214,838.91	119,725.27
Cleaning, Repair, & Maintenance Services	10,000.00	10,211.00	20,211.00	5,831.41	14,379.59
Contracted Services (Other than Between Home and School) - Vendors	12,600.00	(5,000.00)	7,600.00		7,600.00
Insurance	42,000.00	39,117.09	81,117.09	76,803.57	4,313.52
General Supplies	2,000.00	1,000.00	3,000.00	1,509.07	1,490.93
Transportation Supplies	70,606.11	(42,430.00)	28,176.11	21,386.74	6,789.37
Other Objects	29,872.00	(3,036.00)	26,836.00	22,270.83	4,565.17
Total Undistributed Expenditures - Student Transportation Services	505,156.29	(3,651.91)	501,504.38	342,640.53	158,863.85
Allocated Benefits - Community Service Programs:					
Workmen's Compensation	3,000.00		3,000.00	2,167.25	832.75
Total Allocated Benefits - Community Service Programs	3,000.00		3,000.00	2,167.25	832.75
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	344,272.00		344,272.00	252,305.52	91,966.48
Other Retirement Contributions - PERS	613,000.00	(30,000.00)	583,000.00	558,070.80	24,929.20
Other Retirement Contributions	10,812.00	(10,125.00)	687.00		687.00
Unemployment Compensation	62,350.00	459.00	62,809.00	38,040.73	24,768.27

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
GENERAL FUND  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Unallocated Benefits - Employee Benefits (Cont'd):					
Workmen's Compensation	\$ 214,000.00	\$ 15,413.00	\$ 229,413.00	\$ 214,632.91	\$ 14,780.09
Health Benefits	2,300,381.46	(138,816.19)	2,161,565.27	1,948,994.71	212,570.56
Total Unallocated Benefits - Employee Benefits	3,544,815.46	(163,069.19)	3,381,746.27	3,012,044.67	369,701.60
Total Personal Services Employee Benefits	3,547,815.46	(163,069.19)	3,384,746.27	3,014,211.92	370,534.35
On-behalf Contributions (Non-Budgeted):					
T.P.A.F. Post-Retirement Medical				598,070.00	(598,070.00)
Teacher's Pension and Annuity Fund				1,872,791.00	(1,872,791.00)
T.P.A.F. Non-contributory Insurance				35,632.00	(35,632.00)
T.P.A.F. Long-Term Disability Insurance				2,772.00	(2,772.00)
Reimbursed TPAF Social Security Contributions				576,892.14	(576,892.14)
Total On-behalf Contributions				3,086,157.14	(3,086,157.14)
Total Undistributed Expenditures	12,605,344.06	(509,343.91)	12,096,000.15	14,022,316.81	(1,926,316.66)
<b>Total General Current Expense</b>	<b>21,402,743.18</b>	<b>(375,549.69)</b>	<b>21,027,193.49</b>	<b>22,057,290.92</b>	<b>(1,030,097.43)</b>
<b>Capital Outlay:</b>					
Equipment:					
Undistributed Expenditures - Instruction		10,000.00	10,000.00	3,022.69	6,977.31
Undistributed Expenditures - Non-Instructional Equipment	36,000.00	52,732.16	88,732.16	64,865.20	23,866.96
Total Equipment	36,000.00	62,732.16	98,732.16	67,887.89	30,844.27
Facilities Acquisition and Construction Services:					
Construction Services	500,000.00	(20,000.00)	480,000.00	410,160.53	69,839.47
Capital Lease Principal	201,846.33		201,846.33	130,417.34	71,428.99
Mortgage, Bonds and Loan Principal	616,331.26	5,210.00	621,541.26	610,107.36	11,433.90
Total Facilities Acquisition and Construction Services	1,318,177.59	(14,790.00)	1,303,387.59	1,150,685.23	152,702.36

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 GENERAL FUND  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>Total Capital Outlay</b>	\$ 1,354,177.59	\$ 47,942.16	\$ 1,402,119.75	\$ 1,218,573.12	\$ 183,546.63
<b>Total Expenditures</b>	22,756,920.77	(327,607.53)	22,429,313.24	23,275,864.04	(846,550.80)
Excess (Deficiency) of Revenues Over (Under) Expenditures	151,193.23	(847,708.47)	(696,515.24)	1,934,765.62	2,631,280.86
Fund Balances, July 1	3,988,096.15		3,988,096.15	3,988,096.15	
Fund Balances, June 30	\$ 4,139,289.38	\$ (847,708.47)	\$ 3,291,580.91	\$ 5,922,861.77	\$ 2,631,280.86
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Debt Service Escrow				\$ 74,314.95	
Charter School Escrow Reserve				75,000.00	
Other Restricted Reserves				3,000,000.00	
Assigned Fund Balance:					
Year-End Encumbrances				84,738.91	
Unassigned Fund Balance				2,688,807.91	
				<u>\$ 5,922,861.77</u>	

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 72,125.00	\$ 100,716.15	\$ 172,841.15	\$ 114,053.57	\$ (58,787.58)
	<u>72,125.00</u>	<u>100,716.15</u>	<u>172,841.15</u>	<u>114,053.57</u>	<u>(58,787.58)</u>
Federal Sources:					
Title I Grants to Local Educational Agencies	1,034,294.31	263,811.69	1,298,106.00	1,086,734.80	(211,371.20)
Title I Grants to Local Educational Agencies (Reallocate)	40,164.00		40,164.00	40,829.00	665.00
Supporting Effective Instruction State Grants (Title II)		82,805.00	82,805.00	57,842.05	(24,962.95)
English Language Acquisition Grants (Title III)	16,769.00	11,819.00	28,588.00	20,615.75	(7,972.25)
English Language Acquisition Grants (Title III, Immigran	2,200.00	53.00	2,253.00	4,805.00	2,552.00
Student Support and Academic Enrichment Program (Ti	73,568.00	45,447.00	119,015.00	110,856.65	(8,158.35)
Special Education Grants to States (IDEA Basic)	395,746.02	(40,000.02)	355,746.00	349,276.30	(6,469.70)
Education Stabilization Fund:					
Elementary and Secondary School Emergency Relief (ESSER)(CARES Act)	828,875.00	15,859.00	844,734.00	723,019.81	(121,714.19)
Coronavirus Relief Fund:					
Bridging the Digital Divide	309,692.00		309,692.00	309,692.00	
School Re-opening and Remote Learning Grant	8,500.00	184,126.00	192,626.00	192,626.00	
Elementary and Secondary School Emergency Relief:					
ESSER II	3,272,131.00		3,272,131.00		(3,272,131.00)
Learning Acceleration	209,988.00		209,988.00		(209,988.00)
Mental Health Supports and Services	45,000.00		45,000.00		(45,000.00)
Total - Federal Sources	<u>6,236,927.33</u>	<u>563,920.67</u>	<u>6,800,848.00</u>	<u>2,896,297.36</u>	<u>(3,904,550.64)</u>
Total Revenue	<u>6,309,052.33</u>	<u>664,636.82</u>	<u>6,973,689.15</u>	<u>3,010,350.93</u>	<u>(3,963,338.22)</u>

(Continued)

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 742,406.85	\$ 126,981.15	\$ 869,388.00	\$ 334,986.52	\$ 534,401.48
Purchased Services	510,194.00	75,776.42	585,970.42	304,753.77	281,216.65
Other Purchased Services (400-500 series)	40,000.00		40,000.00		40,000.00
Instructional Supplies	1,418,491.46	(10,659.21)	1,407,832.25	971,382.87	436,449.38
Other Objects	4,000.00	404.43	4,404.43		4,404.43
Total Instruction	<u>2,715,092.31</u>	<u>192,502.79</u>	<u>2,907,595.10</u>	<u>1,611,123.16</u>	<u>1,296,471.94</u>
Support Services:					
Personal Services - Salaries	1,486,358.00	269,478.52	1,755,836.52	564,834.45	1,191,002.07
Personal Services - Employee Benefits	1,159,452.02	1,323.54	1,160,775.56	325,747.17	835,028.39
Purchased Professional and Technical Services	261,650.00	17,834.00	279,484.00	171,192.36	108,291.64
Other Purchased Services (400-500 series)	3,000.00	(371.00)	2,629.00	255.00	2,374.00
Supplies and Materials	198,770.00	138,079.86	336,849.86	302,932.51	33,917.35
Other Objects	1,300.00	9,600.53	10,900.53	8,513.38	2,387.15
Student Activities/ Parent Unit		28,592.58	28,592.58	21,101.82	7,490.76
Total Support Services	<u>3,110,530.02</u>	<u>464,538.03</u>	<u>3,575,068.05</u>	<u>1,394,576.69</u>	<u>2,180,491.36</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	405,605.00	7,596.00	413,201.00	7,596.00	405,605.00
Noninstructional Equipment	77,825.00		77,825.00		77,825.00
Total Facilities Acquisition and Construction Services	<u>483,430.00</u>	<u>7,596.00</u>	<u>491,026.00</u>	<u>7,596.00</u>	<u>483,430.00</u>
Total Expenditures	<u>6,309,052.33</u>	<u>664,636.82</u>	<u>6,973,689.15</u>	<u>3,013,295.85</u>	<u>3,960,393.30</u>

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	\$ (2,944.92)	\$ (7,923,731.52)
Fund Balance, July 1 Prior Period Adjustment				70,725.74	
Fund Balance, July 1 (Restated)				70,725.74	
Fund Balance, June 30				\$ 67,780.82	
Recapitulation:					
Restricted:					
Scholarships				\$ 226.14	
Student Activities/ Parent Unit				67,554.68	
Total Fund Balance				\$ 67,780.82	

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2021

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 Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General	Special Revenue
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 25,210,629.66	\$ 3,010,350.93
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		26,988.86
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:		
Federal Awards		(34,947.76)
Local Grant Awards		(500.00)
	<hr/>	<hr/>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	<u>\$ 25,210,629.66</u>	<u>\$ 3,001,892.03</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 23,275,864.04	\$ 3,013,295.85
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Federal Awards		(34,947.76)
Local Grant Awards		(500.00)
	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 23,275,864.04</u>	<u>\$ 2,977,848.09</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**SCHEDULES RELATED TO ACCOUNTING  
AND REPORTING FOR PENSIONS**



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Required Supplementary Information  
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Eight Plan Years

	<b>Measurement Date Ending June 30,</b>							
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Charter School's Proportion of the Net Pension Liability	0.0532057436%	0.0545800383%	0.0442544701%	0.0331521215%	0.0314301541%	0.0302395467%	0.0279011432%	0.0289281896%
Charter School's Proportionate Share of the Net Pension Liability	\$ 8,676,465.00	\$ 9,834,495.00	\$ 8,713,485.00	\$ 7,717,284.00	\$ 9,308,710.00	\$ 6,788,172.00	\$ 5,223,857.00	\$ 5,528,752.00
Charter School's Covered Payroll (Plan Measurement Period)	\$ 3,914,524.00	\$ 4,028,308.00	\$ 3,328,800.00	\$ 2,304,080.00	\$ 2,165,344.00	\$ 2,078,156.00	\$ 1,871,476.00	\$ 2,061,568.00
Charter School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	221.65%	244.13%	261.76%	334.94%	429.90%	326.64%	279.13%	268.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Required Supplementary Information  
 Schedule of the Charter School's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Eight Fiscal Years

	<b>Fiscal Year Ended June 30,</b>							
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 501,832.00	\$ 582,045.00	\$ 530,905.00	\$ 440,189.00	\$ 307,119.00	\$ 279,221.00	\$ 259,979.00	\$ 230,013.00
Contributions in Relation to the Contractually Required Contribution	<u>(501,832.00)</u>	<u>(582,045.00)</u>	<u>(530,905.00)</u>	<u>(440,189.00)</u>	<u>(307,119.00)</u>	<u>(279,221.00)</u>	<u>(259,979.00)</u>	<u>(230,013.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's Covered Payroll (Fiscal Year)	\$ 2,751,083.00	\$ 3,420,555.00	\$ 3,372,631.00	\$ 3,474,059.00	\$ 2,746,473.00	\$ 1,989,781.00	\$ 1,977,716.00	\$ 1,776,453.00
Contributions as a Percentage of Charter School's Covered Payroll	18.24%	17.02%	15.74%	12.67%	11.18%	14.03%	13.15%	12.95%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Required Supplementary Information  
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Eight Plan Years

	Measurement Date Ending June 30,							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Charter School's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the Charter School	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Charter School's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	\$ 45,913,687.00	\$ 42,946,680.00	\$ 46,531,108.00	\$ 46,548,663.00	\$ 50,253,464.00	\$ 34,435,578.00	\$ 24,526,395.00	\$ 20,511,366.00
	<u>\$ 45,913,687.00</u>	<u>\$ 42,946,680.00</u>	<u>\$ 46,531,108.00</u>	<u>\$ 46,548,663.00</u>	<u>\$ 50,253,464.00</u>	<u>\$ 34,435,578.00</u>	<u>\$ 24,526,395.00</u>	<u>\$ 20,511,366.00</u>
Charter School's Covered Payroll (Measurement Period)	\$ 8,138,488.00	\$ 8,566,204.00	\$ 8,502,768.00	\$ 8,640,720.00	\$ 8,117,496.00	\$ 7,472,100.00	\$ 6,417,648.00	\$ 5,239,808.00
Charter School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	564.16%	501.35%	547.25%	538.71%	619.08%	460.86%	382.17%	391.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**

Required Supplementary Information  
Schedule of Charter School Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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This schedule is not applicable.

The Charter School is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2021

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**Teachers' Pension and Annuity Fund (TPAF)**

***Changes in Benefit Terms:***

The June 30, 2020 measurement date included one change to the plan provisions. The Division of Pension and Benefits (DPB) adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

***Changes in Assumptions:***

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%
2017	4.25%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**Public Employees' Retirement System (PERS)**

***Changes in Benefit Terms:***

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

***Changes in Assumptions:***

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART IV**

**SCHEDULE RELATED TO ACCOUNTING AND  
REPORTING FOR OTHER POSTEMPLOYMENT BENEFITS**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Required Supplementary Information  
 Schedule of Changes in the Charter School's Total OPEB Liability and Related Ratios  
 Last Four Plan Years

	<u>Measurement Date Ending June 30,</u>			
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Charter School</b>				
Changes for the Year:				
Service Cost	\$ 1,658,181.00	\$ 1,503,466.00	\$ 1,641,266.00	\$ 1,985,807.00
Interest Cost	440,718.00	503,304.00	618,804.00	511,885.00
Difference Between Expected and Actual Experience	3,794,610.00	(2,402,933.00)	(4,747,607.00)	
Changes in Assumptions	3,721,950.00	165,566.00	(1,338,689.00)	(2,502,354.00)
Gross Benefit Payments	10,752.00	(340,868.00)	(311,935.00)	(365,800.00)
Member Contributions	(354,725.00)	10,104.00	10,781.00	13,470.00
Net Change in Total Non-Employer OPEB Liability	9,271,486.00	(561,361.00)	(4,127,380.00)	(356,992.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>11,104,268.00</u>	<u>11,665,629.00</u>	<u>15,793,009.00</u>	<u>16,150,001.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 20,375,754.00</u>	<u>\$ 11,104,268.00</u>	<u>\$ 11,665,629.00</u>	<u>\$ 15,793,009.00</u>
Charter School's Covered Payroll (Plan Measurement Period)	<u>\$ 10,427,214.00</u>	<u>\$ 10,427,214.00</u>	<u>\$ 10,526,612.00</u>	<u>\$ 9,731,715.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School as a Percentage of Covered Payroll	195.41%	106.49%	110.82%	162.28%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**

Notes to Required Supplementary Information - Part IV

For the Fiscal Year Ended June 30, 2021

***Changes in Benefit Terms:***

There were no changes in benefit terms from the previous valuations.

***Changes in Assumptions:***

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The mortality assumption was updated upon the direction from the Division of Pension and Benefits (DPB).

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. The ultimate trend for medical and prescription drug benefits was lowered from 5.0% to 4.5%. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	E.S.S.A.						Total Carried Forward
	Title I Grants to Local Educational Agencies	Title I Grants to Local Educational Agencies Reallocated	Supporting Effective Instruction State Grants (Title II)	English Language Acquisition Grants (Title III)	English Language Acquisition Grants (Title III) (Immigrant)	Student Support & Academic Enrichment (Title IV)	
<b>REVENUES:</b>							
Federal Sources	\$ 1,086,734.80	\$ 40,829.00	\$ 57,842.05	\$ 20,615.75	\$ 4,805.00	\$ 110,856.65	\$ 1,321,683.25
Local Sources							
<b>Total Revenues</b>	<u>1,086,734.80</u>	<u>40,829.00</u>	<u>57,842.05</u>	<u>20,615.75</u>	<u>4,805.00</u>	<u>110,856.65</u>	<u>1,321,683.25</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Personal Services - Salaries	281,192.52						281,192.52
Purchased Services	138,105.84				82,800.00		220,905.84
Instructional Supplies	279,535.11	40,829.00		16,385.16	4,805.00	17,621.65	359,175.92
<b>Total Instruction</b>	<u>698,833.47</u>	<u>40,829.00</u>		<u>16,385.16</u>	<u>4,805.00</u>	<u>100,421.65</u>	<u>861,274.28</u>
<b>Support Services:</b>							
Personal Services - Salaries	136,366.92			1,920.00			138,286.92
Personal Services - Employee Benefits	214,602.13						214,602.13
Purchased Professional and Technical Services	19,452.73		46,741.35				66,194.08
Other Purchased Services (400-500 series)	255.00						255.00
Supplies and Materials	9,628.55		11,100.70	2,310.59		10,435.00	33,474.84
Other Objects							
Student Activities/ Parent Unit							
<b>Total Support Services</b>	<u>380,305.33</u>		<u>57,842.05</u>	<u>4,230.59</u>		<u>10,435.00</u>	<u>452,812.97</u>
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment	7,596.00						7,596.00
<b>Total Facilities Acquisition and Construction Services</b>	<u>7,596.00</u>						<u>7,596.00</u>
<b>Total Expenditures</b>	<u>1,086,734.80</u>	<u>40,829.00</u>	<u>57,842.05</u>	<u>20,615.75</u>	<u>4,805.00</u>	<u>110,856.65</u>	<u>1,321,683.25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Fund Balance, July 1							
Prior Period Adjustment							
Fund Balance, July 1 (Restated)							
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	Total Brought Forward	I.D.E.A. Part B Special Education Grants to States (Basic)	Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER) (CARES Act)	Coronavirus Relief Fund Bridging the Digital Divide	School Re-Opening And Remote Learning Grant	Scholarship Fund	Student Activity /Parent Unit Fund	Total Carried Forward
<b>REVENUES:</b>								
Federal Sources	\$ 1,321,683.25	\$ 349,276.30	\$ 723,019.81	\$ 309,692.00	\$ 192,626.00			\$ 2,896,297.36
Local Sources						\$ 0.18	\$ 18,156.72	18,156.90
<b>Total Revenues</b>	<b>1,321,683.25</b>	<b>349,276.30</b>	<b>723,019.81</b>	<b>309,692.00</b>	<b>192,626.00</b>	<b>0.18</b>	<b>18,156.72</b>	<b>2,914,454.26</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Personal Services - Salaries	281,192.52	53,794.00						334,986.52
Purchased Services	220,905.84		60,573.51					281,479.35
Instructional Supplies	359,175.92		164,143.63	309,692.00	124,643.30			957,654.85
<b>Total Instruction</b>	<b>861,274.28</b>	<b>53,794.00</b>	<b>224,717.14</b>	<b>309,692.00</b>	<b>124,643.30</b>			<b>1,574,120.72</b>
<b>Support Services:</b>								
Personal Services - Salaries	138,286.92	115,736.27	292,708.44					546,731.63
Personal Services - Employee Benefits	214,602.13	88,747.75	22,397.29					325,747.17
Purchased Professional and Technical Services	66,194.08	90,998.28	14,000.00					171,192.36
Other Purchased Services (400-500 series)	255.00							255.00
Supplies and Materials	33,474.84		169,196.94		67,982.70			270,654.48
Other Objects								
Student Activities/ Parent Unit							21,101.82	21,101.82
<b>Total Support Services</b>	<b>452,812.97</b>	<b>295,482.30</b>	<b>498,302.67</b>		<b>67,982.70</b>		<b>21,101.82</b>	<b>1,335,682.46</b>
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	7,596.00							7,596.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>7,596.00</b>							<b>7,596.00</b>
<b>Total Expenditures</b>	<b>1,321,683.25</b>	<b>349,276.30</b>	<b>723,019.81</b>	<b>309,692.00</b>	<b>192,626.00</b>		<b>21,101.82</b>	<b>2,917,399.18</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures						0.18	(2,945.10)	(2,944.92)
Fund Balance, July 1								
Prior Period Adjustment						225.96	70,499.78	70,725.74
Fund Balance, July 1 (Restated)						225.96	70,499.78	70,725.74
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226.14	\$ 67,554.68	\$ 67,780.82

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	Total Brought Forward	Arter Charter Grant	Board of Trustees Donation	Open Doors	American Heart Association	Lockheed Martin Grant	NEA Grant	Total Carried Forward
<b>REVENUES:</b>								
Federal Sources	\$ 2,896,297.36							\$ 2,896,297.36
Local Sources	18,156.90	\$ 1,443.26	\$ 1,000.00	\$ 57,094.41	\$ 3,352.85	\$ 11,098.55	\$ 1,500.00	93,645.97
<b>Total Revenues</b>	<b>2,914,454.26</b>	<b>1,443.26</b>	<b>1,000.00</b>	<b>57,094.41</b>	<b>3,352.85</b>	<b>11,098.55</b>	<b>1,500.00</b>	<b>2,989,943.33</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Personal Services - Salaries	334,986.52							334,986.52
Purchased Services	281,479.35			21,774.42			1,500.00	304,753.77
Instructional Supplies	957,654.85					11,098.55		968,753.40
	<u>1,574,120.72</u>			<u>21,774.42</u>		<u>11,098.55</u>	<u>1,500.00</u>	<u>1,608,493.69</u>
<b>Support Services:</b>								
Personal Services - Salaries	546,731.63			18,102.82				564,834.45
Personal Services - Employee Benefits	325,747.17							325,747.17
Purchased Professional and Technical Services	171,192.36							171,192.36
Other Purchased Services (400-500 series)	255.00							255.00
Supplies and Materials	270,654.48	1,443.26		17,217.17				289,314.91
Other Objects			1,000.00		3,352.85			4,352.85
Student Activities/ Parent Unit	21,101.82							21,101.82
<b>Total Support Services</b>	<b>1,335,682.46</b>	<b>1,443.26</b>	<b>1,000.00</b>	<b>35,319.99</b>	<b>3,352.85</b>			<b>1,376,798.56</b>
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	7,596.00							7,596.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>7,596.00</b>							<b>7,596.00</b>
<b>Total Expenditures</b>	<b>2,917,399.18</b>	<b>1,443.26</b>	<b>1,000.00</b>	<b>57,094.41</b>	<b>3,352.85</b>	<b>11,098.55</b>	<b>1,500.00</b>	<b>2,992,888.25</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,944.92)							(2,944.92)
Fund Balance, July 1								
Prior Period Adjustment	70,725.74							70,725.74
Fund Balance, July 1 (Restated)	70,725.74							70,725.74
Fund Balance, June 30	\$ 67,780.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,780.82

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	Total Brought Forward	Charter Association Grant	FAB LAB Grant	Dick's Sporting Goods Softball Grant	Library Grant	Weed Out Hunger	LEAP Cramer Hill LLC Donations	Total
<b>REVENUES:</b>								
Federal Sources	\$ 2,896,297.36							\$ 2,896,297.36
Local Sources	<u>93,645.97</u>	\$ 8,000.00	\$ 3,925.00	\$ 2,629.47	\$ 221.49	\$ 1,471.11	\$ 4,160.53	<u>114,053.57</u>
Total Revenues	<u>2,989,943.33</u>	<u>8,000.00</u>	<u>3,925.00</u>	<u>2,629.47</u>	<u>221.49</u>	<u>1,471.11</u>	<u>4,160.53</u>	<u>3,010,350.93</u>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Personal Services - Salaries	334,986.52							334,986.52
Purchased Services	304,753.77							304,753.77
Instructional Supplies	<u>968,753.40</u>			2,629.47				<u>971,382.87</u>
Total Instruction	<u>1,608,493.69</u>			<u>2,629.47</u>				<u>1,611,123.16</u>
<b>Support Services:</b>								
Personal Services - Salaries	564,834.45							564,834.45
Personal Services - Employee Benefits	325,747.17							325,747.17
Purchased Professional and Technical Services	171,192.36							171,192.36
Other Purchased Services (400-500 series)	255.00							255.00
Supplies and Materials	289,314.91	8,000.00	3,925.00		221.49	1,471.11		302,932.51
Other Objects	4,352.85						4,160.53	8,513.38
Student Activities/ Parent Unit	<u>21,101.82</u>							<u>21,101.82</u>
Total Support Services	<u>1,376,798.56</u>	<u>8,000.00</u>	<u>3,925.00</u>		<u>221.49</u>	<u>1,471.11</u>	<u>4,160.53</u>	<u>1,394,576.69</u>
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	<u>7,596.00</u>							<u>7,596.00</u>
Total Facilities Acquisition and Construction Services	<u>7,596.00</u>							<u>7,596.00</u>
Total Expenditures	<u>2,992,888.25</u>	<u>8,000.00</u>	<u>3,925.00</u>	<u>2,629.47</u>	<u>221.49</u>	<u>1,471.11</u>	<u>4,160.53</u>	<u>3,013,295.85</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,944.92)</u>							<u>(2,944.92)</u>
Fund Balance, July 1								
Prior Period Adjustment	<u>70,725.74</u>							<u>70,725.74</u>
Fund Balance, July 1 (Restated)	<u>70,725.74</u>							<u>70,725.74</u>
Fund Balance, June 30	<u>\$ 67,780.82</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,780.82</u>

**CAPITAL PROJECTS FUND**

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2021

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropiations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
LEAP Social Enterprise Rich Center	9/10/2020	\$ 1,011,720.00		\$ 92,926.03	\$ 918,793.97
		<u>\$ 1,011,720.00</u>	<u>\$ -</u>	<u>\$ 92,926.03</u>	<u>\$ 918,793.97</u>



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2021

<b>Revenues and Other Financing Sources</b>	
Local Source - Donation	<u>\$ 11,720.00</u>
	<u>11,720.00</u>
<b>Expenditures and Other Financing Uses</b>	
<b>Expenditures:</b>	
Architecture	<u>92,926.03</u>
Total Expenditures	<u>92,926.03</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,206.03)
Fund Balance, July 1	<u>1,000,000.00</u>
Fund Balance, June 30	<u>\$ 918,793.97</u>
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>	
Fund Balance as of June 30, 2021	<u>\$ 918,793.97</u>

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**CAPITAL PROJECTS FUND**  
 Schedule of Revenues, Expenditures, Project Balance and Project Status  
 LEAP Social Enterprise Rich Center  
 From Inception and For the Fiscal Year Ended June 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Source - Loan Proceeds	\$ 1,000,000.00		\$ 1,000,000.00	\$ 1,000,000.00
Local Source - Donation		\$ 11,720.00	11,720.00	11,720.00
Total Revenues	1,000,000.00	11,720.00	1,011,720.00	1,011,720.00
<b>Expenditures and Other Financing Uses</b>				
Architecture		92,926.03	92,926.03	140,956.82
Construction Services				870,763.18
Total Expenditures		92,926.03	92,926.03	1,011,720.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,000,000.00	\$ (81,206.03)	\$ 918,793.97	\$ -
Encumbered			\$ 48,030.79	
Designated for Subsequent Year Expenditures			870,763.18	
			<u>\$ 918,793.97</u>	
<b>Additional Project Information</b>				
Project Number		NA		
Grant Date		NA		
Bond Authorization Date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$ 1,011,720.00			
Additional Authorized Cost				
Revised Authorized Cost		1,011,720.00		
Percentage Increase over Original Authorized Cost		NA		
Percentage Completion		9%		
Original Target Completion Date		9/30/2022		
Revised Target Completion Date		9/30/2022		

**PROPRIETARY FUNDS**

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Proprietary Fund  
Statement of Net Position  
June 30, 2021

	Business-Type Activities <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash	\$ 38,090.20
Accounts Receivable	15,124.05
Intergovernmental Accounts Receivable:	
State	8,013.91
Federal	284,151.22
Inventories	<u>5,059.95</u>
Total Current Assets	<u>350,439.33</u>
Noncurrent Assets:	
Equipment	536,343.63
Less Accumulated Depreciation	<u>(366,964.75)</u>
Total Noncurrent Assets	<u>169,378.88</u>
Total Assets	<u>519,818.21</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	600.00
Interfund Accounts Payable:	
General Fund	<u>12,201.00</u>
Total Current Liabilities	<u>12,801.00</u>
NET POSITION:	
Net Investment in Capital Assets	169,378.88
Unrestricted	<u>337,638.33</u>
Total Net Position	<u>\$ 507,017.21</u>

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Proprietary Fund  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 3,556.92
Daily Sales - Non-Reimbursable Programs	6,998.05
Special Functions	520.00
Rutgers - ELRA Contract	58,322.60
Miscellaneous Revenue	75.00
	69,472.57
<b>OPERATING EXPENSES:</b>	
Salaries	491,054.09
Employee Benefits	72,877.81
Purchased Professional and Technical Services	2,708.00
Other Purchased Services	60,917.25
Cleaning, Repair and Maintenance Services	10,766.61
General Supplies	41,340.80
Depreciation	27,586.29
Other Objects	57,324.95
Cost of Sales - Reimbursable Programs	427,656.03
Cost of Sales - Nonreimbursable Programs	21,283.00
	1,213,514.83
Total Operating Expenses	1,213,514.83
Operating Income / (Loss)	(1,144,042.26)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	6,168.57
Seamless Summer Lunch Program - State	29,689.70
State Appropriation to Schools for Reduced Priced Meals:	
Breakfast	12.00
Lunch	15.20
Federal Sources:	
National School Lunch Program	1,202.65
Healthy Hungry Kids Lunch Program	11,730.04
Seamless Summer Lunch Option	590,311.31
Emergency Operational Costs Reimbursement Program	177,590.80
National School Breakfast Program	802.04
Seamless Summer Breakfast Option	381,878.98
Food Distribution Program	74,663.18
P-EBT Administrative Cost Reimbursement	3,063.00
Interest and Investment Revenue	77.61
	1,277,205.08
Total Nonoperating Revenues (Expenses)	1,277,205.08
Change in Net Position	133,162.82
Net Position -- July 1	373,854.39
Net Position -- June 30	\$ 507,017.21

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 237,180.24
Payments to Employees	(491,054.09)
Payments for Employee Benefits	(72,877.81)
Payments to Suppliers	(586,806.79)
	(913,558.45)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	27,871.56
Federal Sources	882,427.60
	910,299.16
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	77.61
	77.61
Net Increase (Decrease) in Cash and Cash Equivalents	(3,181.68)
Balance -- July 1	41,271.88
Balance -- June 30	\$ 38,090.20
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (1,144,042.26)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	27,586.29
Food Distribution Program	74,663.18
(Increase) Decrease in Accounts Receivable, net	167,707.67
(Increase) Decrease in Inventories	7,402.03
Increase (Decrease) in Accounts Payable	(46,875.36)
	230,483.81
Total Adjustments	230,483.81
Net Cash Provided by (used for) Operating Activities	\$ (913,558.45)

**LONG-TERM DEBT**

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

## Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
LEAP Academy University Charter School, Inc.:									
Serial Bonds:									
Charter School Refunding Bonds	10/2/2015	\$ 5,940,000.00	2022	\$ 455,301.75	2.24%				
			2023	465,605.90	2.24%				
			2024	476,143.20	2.24%				
			2025	486,919.00	2.24%				
			2026	497,938.68	2.24%				
			2027	509,207.71	2.24%				
			2028	520,731.79	2.24%				
			2029	131,878.17	2.24%	\$ 3,988,951.86		\$ 445,210.12	\$ 3,543,741.74
						<u>3,988,951.86</u>		<u>445,210.12</u>	<u>3,543,741.74</u>
LEAP Cramer Hill, LLC. (Component Unit):									
Serial Bonds:									
Charter School Revenue Bonds:									
Series 2014A (Tax Exempt)	9/29/2014	9,500,000.00	10/1/2021	125,000.00	8.00%				
Series 2014B (Taxable)	9/29/2014	500,000.00	10/1/2022	140,000.00	8.00%				
			10/1/2023	150,000.00	8.00%				
			10/1/2024	165,000.00	5.125%				
			10/1/2025	170,000.00	6.00%				
			10/1/2026	180,000.00	6.00%				
			10/1/2027	190,000.00	6.00%				
			10/1/2028	200,000.00	6.00%				
			10/1/2029	210,000.00	6.00%				
			10/1/2030	225,000.00	6.00%				
			10/1/2031	240,000.00	6.00%				
			10/1/2032	250,000.00	6.00%				
			10/1/2033	265,000.00	6.00%				
			10/1/2034	280,000.00	6.00%				
			10/1/2035	300,000.00	6.20%				
			10/1/2036	320,000.00	6.20%				
			10/1/2037	340,000.00	6.20%				
			10/1/2038	360,000.00	6.20%				
			10/1/2039	380,000.00	6.20%				
			10/1/2040	405,000.00	6.20%				
			10/1/2041	430,000.00	6.20%				
			10/1/2042	455,000.00	6.20%				
			10/1/2043	485,000.00	6.20%				
			10/1/2044	515,000.00	6.20%				
			10/1/2045	550,000.00	6.30%				

(Continued)



## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

## Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
LEAP Cramer Hill, LLC. (Component Unit) (Cont'd):									
Serial Bonds (Cont'd):									
Charter School Revenue Bonds (Cont'd):									
Series 2014A (Tax Exempt) (Cont'd)	9/29/2014	\$ 9,500,000.00	10/1/2046	\$ 580,000.00	6.30%				
Series 2014B (Taxable) (Cont'd)	9/29/2014	500,000.00	10/1/2047	620,000.00	6.30%				
			10/1/2048	655,000.00	6.30%				
			10/1/2049	695,000.00	6.30%	\$ 10,000,000.00		\$ 120,000.00	\$ 9,880,000.00
Total LEAP Cramer Hill, LLC						10,000,000.00		120,000.00	9,880,000.00
LEAP STEM, LLC (Component Unit):									
Charter School Revenue Bonds:									
Series 2018 Note	12/1/2018	7,500,000.00	2022	195,956.64	3.99%				
			2023	204,032.55	3.99%				
			2024	211,713.01	3.99%				
			2025	221,166.52	3.99%				
			2026	230,281.41	TBD				
			2027	239,771.93	TBD				
			2028	249,029.20	TBD				
			2029	259,916.73	TBD				
			2030	270,628.59	TBD				
			2031	281,781.93	TBD				
			2032	292,892.62	TBD				
			2033	305,465.81	TBD				
			2034	318,054.86	TBD				
			2035	331,162.77	TBD				
			2036	344,452.13	TBD				
			2037	359,006.67	TBD				
			2038	373,802.30	TBD				
			2039	389,207.69	TBD				
			2040	405,057.96	TBD				
			2041	421,941.49	TBD				
			2042	439,330.86	TBD				
			2043	457,436.86	TBD				
			2044	242,380.46	TBD	7,232,671.39		189,409.80	7,043,261.59
Total LEAP STEM, LLC						7,232,671.39		189,409.80	7,043,261.59
Total Schedule of Serial Bonds						\$ 21,221,623.25	\$ -	\$ 754,619.92	\$ 20,467,003.33

TBD: The interest rate on these bonds is fixed for seven years and then will have a rate reset formula for each subsequent five year period (See Notes to the Financial Statements)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2021

SERIES	Date of Lease	Term of Lease	Interest Rate Payable	Amount of Original Issue		Amount Outstanding July 1, 2020	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2021
				Principal	Interest				
LEAP Academy University Charter School Inc.:									
Furniture	November 1, 2015	November 1, 2015 to October 1, 2022	5.50%	\$ 365,708.00	\$ 75,712.00	\$ 137,815.58		\$ 56,900.29	\$ 80,915.29
Laptop Computers	September 16, 2016	September 16, 2016 to August 16, 2020	4.00%	164,656.40	13,302.20	7,378.71		7,378.71	
School Buses	September 13, 2016	September 13, 2016 to August 13, 2021	4.50%	176,999.34	20,371.46	44,784.24		38,240.76	6,543.48
Laptop Computers	October 30, 2018	November 5, 2018 to October 5, 2021	5.39%	164,656.40	13,302.20	37,547.98		27,897.58	9,650.40
						<u>227,526.51</u>		<u>130,417.34</u>	<u>97,109.17</u>
LEAP Cramer Hill, LLC.:									
Laptop Computers	October 5, 2017	October 5, 2017 to October 5, 2022	4.50%	369,696.00	43,822.60	177,025.95		76,396.95	100,629.00
LEAP Student Transportation, LLC:									
School Buses	September 1, 2020	September 1, 2020 to September 1, 2024	5.00%	791,309.68	134,146.32		\$ 791,309.68	76,871.20	714,438.48
Total Obligations Under Capital Leases						<u>\$ 404,552.46</u>	<u>\$ 791,309.68</u>	<u>\$ 283,685.49</u>	<u>\$ 912,176.65</u>

**STATISTICAL SECTION**

## **Financial Trends Information**

Financial trends information is intended to assist the user in understanding and assessing how the Charter School's financial position has changed over time. Please refer to the following exhibits for a historical view of the Charter School's financial performance.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	<u>2021 (2)</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>Fiscal Year Ending June 30,</u>		<u>2015 (1)</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		
									<u>2017</u>	<u>2016</u>									
Governmental Activities																			
Net Investment in Capital Assets	\$ 8,245,892.41	\$ 8,059,001.39	\$ 8,490,522.50	\$ 5,985,678.67	\$ 6,514,363.40	\$ 6,433,380.86	\$ 3,977,322.16	\$ 5,564,897.49	\$ 5,540,432.23	\$ (512,995.84)									
Restricted	2,325,418.27	2,214,050.31	1,075,482.27	3,023,294.06	2,699,540.78	2,410,225.66	2,895,846.10	1,130,605.96	806,270.22	6,955,011.41									
Unrestricted (Deficit)	(5,995,446.77)	(7,650,169.83)	(5,619,853.00)	(6,012,991.42)	(5,724,677.82)	(5,321,607.45)	(3,272,117.93)	(4,458,784.63)	726,198.06	575,314.99									
Total Governmental Activities Net Position	<u>\$ 4,575,863.91</u>	<u>\$ 2,622,881.87</u>	<u>\$ 3,946,151.77</u>	<u>\$ 2,995,981.31</u>	<u>\$ 3,489,226.36</u>	<u>\$ 3,521,999.07</u>	<u>\$ 3,601,050.33</u>	<u>\$ 2,236,718.82</u>	<u>\$ 7,072,900.51</u>	<u>\$ 7,017,330.56</u>									
Business-type Activities																			
Net Investment in Capital Assets	\$ 169,378.88	\$ 196,965.17	\$ 201,211.85	\$ 228,559.95	\$ 258,921.18	\$ 281,456.00	\$ 311,075.00	\$ 156,306.00	\$ 179,344.57	\$ 71,483.00									
Unrestricted (Deficit)	337,638.33	176,889.22	234,790.36	158,264.20	107,316.44			(156,306.00)	(266,916.20)	(343,724.66)									
Total Business-type Activities Net Position	<u>\$ 507,017.21</u>	<u>\$ 373,854.39</u>	<u>\$ 436,002.21</u>	<u>\$ 386,824.15</u>	<u>\$ 366,237.62</u>	<u>\$ 281,456.00</u>	<u>\$ 311,075.00</u>	<u>\$ -</u>	<u>\$ (87,571.63)</u>	<u>\$ (272,241.66)</u>									
Government-wide																			
Net Investment in Capital Assets	\$ 8,415,271.29	\$ 8,255,966.56	\$ 8,691,734.35	\$ 6,214,238.62	\$ 6,773,284.58	\$ 6,714,836.86	\$ 4,288,397.16	\$ 5,721,203.49	\$ 5,719,776.80	\$ (441,512.84)									
Restricted	2,325,418.27	2,214,050.31	1,075,482.27	3,023,294.06	2,699,540.78	2,410,225.66	2,895,846.10	1,130,605.96	806,270.22	6,955,011.41									
Unrestricted (Deficit)	(5,657,808.44)	(7,473,280.61)	(5,385,062.64)	(5,854,727.22)	(5,617,361.38)	(5,321,607.45)	(3,272,117.93)	(4,615,090.63)	459,281.86	231,590.33									
Total Government-wide Net Position	<u>\$ 5,082,881.12</u>	<u>\$ 2,996,736.26</u>	<u>\$ 4,382,153.98</u>	<u>\$ 3,382,805.46</u>	<u>\$ 3,855,463.98</u>	<u>\$ 3,803,455.07</u>	<u>\$ 3,912,125.33</u>	<u>\$ 2,236,718.82</u>	<u>\$ 6,985,328.88</u>	<u>\$ 6,745,088.90</u>									

(1) Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

(2) Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit A-1

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Changes in Net Position  
Last Ten Fiscal Years (accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2021 (4)	2020	2019	2018 (3)	2017	2016 (1)	2015 (2)	2014	2013	2012
<b>Expenses</b>										
Governmental Activities										
Instruction							\$ 8,092,058.48	\$ 8,377,052.13	\$ 8,123,628.90	\$ 6,162,700.29
Administration							7,950,283.88	6,804,647.11	5,543,619.01	3,275,635.42
Support Services							5,261,626.38	4,593,787.61	4,437,863.61	4,478,028.68
Regular Instruction	\$ 9,225,185.15	\$ 8,609,789.72	\$ 8,342,376.11	\$ 9,486,721.26	\$ 8,400,920.93	\$ 7,832,801.23				
Special Education Instruction	517,992.25	583,395.47	679,767.03	565,991.39	392,329.70	303,695.15				
Basic Skills Remedial Instruction						31,850.00				
Bilingual Education Instruction	217,307.37	120,221.27	138,248.83	147,600.79	247,530.20	144,870.62				
School Sponsored Extra Curricular Activities Instruction	15,603.11	3,200.00	9,569.40	4,265.40	7,918.82	3,912.26				
School Sponsored Athletics Instruction	14,749.59	80,870.16	111,199.92	99,245.51	124,845.30	71,448.12				
Before and After School Programs Instruction						18,188.88				
Summer School	16,075.00	90,196.00	71,907.54	93,212.72	86,324.69	80,160.02				
Other Supplemental At Risk Programs						63,690.00				
Community Service Programs	696,559.75	559,795.24	531,565.96	456,342.31	439,917.57	404,239.09				
Support Services and Undistributed Costs:										
Student and Instruction Related Services	2,463,328.28	2,323,990.93	2,545,192.06	2,102,838.08	1,914,359.81	2,105,472.08				
School Administrative Services	847,631.91	1,196,541.34	1,160,370.67	1,267,426.33	1,347,645.47	1,322,907.17				
Other Administrative Services	2,211,014.27	2,707,841.94	2,268,643.20	2,153,621.68	2,016,071.62	2,120,185.30				
Plant Operations and Maintenance	1,827,054.39	2,143,560.05	2,347,684.88	2,280,446.97	2,533,408.89	2,451,476.77				
Pupil Transportation	353,784.28	293,296.24	320,861.64	370,525.12	358,905.81	287,316.10				
Unallocated Benefits	9,639,709.31	8,778,410.73	8,991,062.37	9,378,554.26	8,705,493.31	6,290,359.70				
Interest on Long Term Debt	1,250,994.25	1,150,794.90	1,231,662.84	1,364,667.59	1,364,187.60	1,374,969.22	1,342,285.33	841,420.17	572,294.65	786,648.55
Unallocated Amortization and Depreciation										5,678.66
Total Governmental Activities Expenses	29,296,988.91	28,641,903.99	28,750,112.45	29,832,547.86	28,003,549.72	24,903,359.71	22,646,254.07	20,616,907.02	18,677,406.17	14,708,691.60
Business-type Activities:										
Food Service	1,213,514.83	1,081,986.16	1,447,335.09	1,505,505.32	1,419,605.26	1,377,923.54	1,244,851.63	1,145,665.68	1,091,167.24	1,027,915.73
Total Business-type Activities Expense	1,213,514.83	1,081,986.16	1,447,335.09	1,505,505.32	1,419,605.26	1,377,923.54	1,244,851.63	1,145,665.68	1,091,167.24	1,027,915.73
Total Government-Wide Expenses	\$ 30,510,503.74	\$ 29,723,890.15	\$ 30,197,447.54	\$ 31,338,053.18	\$ 29,423,154.98	\$ 26,281,283.25	\$ 23,891,105.70	\$ 21,762,572.70	\$ 19,768,573.41	\$ 15,736,607.33
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 18,156.72									
Operating Grants and Contributions	8,643,716.19	5,898,615.12	6,490,944.72	7,693,228.45	6,348,097.00	4,946,929.04	3,750,804.89	2,913,464.88	1,833,393.50	2,491,184.79
Capital Grants and Contributions	28,176.26	61,136.22	14,189.25							
Total Governmental Activities Program Revenues	8,690,049.17	5,959,751.34	6,505,133.97	7,693,228.45	6,348,097.00	4,946,929.04	3,750,804.89	2,913,464.88	1,833,393.50	2,491,184.79
Business-type activities:										
Food Services:										
Charges for services	69,472.57	275,041.45	346,881.42	391,183.54	376,098.66	335,636.26	243,269.52	126,754.65	202,013.15	189,619.42
Operating Grants and Contributions	1,277,127.47	743,550.02	1,147,708.51	1,134,442.53	1,128,219.98	1,007,664.34	975,403.52	917,782.55	760,758.05	486,275.38
Total Business-type Activities Program Revenues	1,346,600.04	1,018,591.47	1,494,589.93	1,525,626.07	1,504,318.64	1,343,300.60	1,218,673.04	1,044,537.20	962,771.20	675,894.80
Total Government-Wide Program Revenues	\$ 10,036,649.21	\$ 6,978,342.81	\$ 7,999,723.90	\$ 9,218,854.52	\$ 7,852,415.64	\$ 6,290,229.64	\$ 4,969,477.93	\$ 3,958,002.08	\$ 2,796,164.70	\$ 3,167,079.59
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (20,606,939.74)	\$ (22,682,152.65)	\$ (22,244,978.48)	\$ (22,139,319.41)	\$ (21,655,452.72)	\$ (19,956,430.67)	\$ (18,895,449.18)	\$ (17,703,442.14)	\$ (16,844,012.67)	\$ (12,217,506.81)
Business-type Activities	133,085.21	(63,394.69)	47,254.84	20,120.75	84,713.38	(34,622.94)	(26,178.59)	(101,128.48)	(128,396.04)	(352,020.93)
Total Government-Wide Net Expense	\$ (20,473,854.53)	\$ (22,745,547.34)	\$ (22,197,723.64)	\$ (22,119,198.66)	\$ (21,570,739.34)	\$ (19,991,053.61)	\$ (18,921,627.77)	\$ (17,804,570.62)	\$ (16,972,408.71)	\$ (12,569,527.74)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Charter School Aid	\$ 20,043,193.00	\$ 20,425,934.00	\$ 19,715,084.00	\$ 19,081,752.00	\$ 19,161,945.00	\$ 19,258,462.00	\$ 19,439,739.00	\$ 18,498,317.00	\$ 17,103,843.00	\$ 11,863,382.00
State and Federal Aid - Not Restricted	996,282.74	310,972.27	749,369.20	1,964,053.02	1,885,534.11	52,457.10	34,995.00	9,472.85	3,120.68	
Investment Earnings	24,246.11	49,533.10	66,871.78	21,032.44	6,385.95	4,995.15	3,765.44	58,290.26		56,369.54
Miscellaneous Income	1,425,474.19	572,443.38	701,045.96	579,236.90	568,814.95	566,422.64	846,426.63	170,033.56	84,423.91	232,666.46
Loss on Disposal of Capital Assets			(2,440.00)							
Special Item: Forgiveness of Debt			1,965,218.00							
Transfers						(4,958.19)	(175,921.11)	(188,671.98)	(200,000.00)	
Total Governmental Activities	\$ 22,489,196.04	\$ 21,358,882.75	\$ 23,195,148.94	\$ 21,646,074.36	\$ 21,622,680.01	\$ 19,877,378.70	\$ 20,149,004.96	\$ 18,547,441.69	\$ 16,991,387.59	\$ 12,152,418.00

(Continued)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	2021 (4)	2020	2019	2018 (3)	Fiscal Year Ending June 30, 2017	2016 (1)	2015 (2)	2014	2013	2012
<b>General Revenues and Other Changes in Net Position (Cont'd)</b>										
Business-type Activities:										
Investment Earnings	\$ 77.61	\$ 1,246.87	\$ 1,923.22	\$ 465.78	\$ 68.24	\$ 45.75	\$ 30.70	\$ 28.13	\$ 11.82	\$ 57.80
Transfers						4,958.19	175,921.11	188,671.98	200,000.00	
Total Business-type Activities	<u>77.61</u>	<u>1,246.87</u>	<u>1,923.22</u>	<u>465.78</u>	<u>68.24</u>	<u>5,003.94</u>	<u>175,951.81</u>	<u>188,700.11</u>	<u>200,011.82</u>	<u>57.80</u>
Total Government-Wide	<u>\$ 22,489,273.65</u>	<u>\$ 21,360,129.62</u>	<u>\$ 23,197,072.16</u>	<u>\$ 21,646,540.14</u>	<u>\$ 21,622,748.25</u>	<u>\$ 19,882,382.64</u>	<u>\$ 20,324,956.77</u>	<u>\$ 18,736,141.80</u>	<u>\$ 17,191,399.41</u>	<u>\$ 12,152,475.80</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,882,256.30	\$ (1,323,269.90)	\$ 950,170.46	\$ (493,245.05)	\$ (32,772.71)	\$ (79,051.97)	\$ 1,253,555.78	\$ 843,999.55	\$ 147,374.92	\$ (65,088.81)
Business-type Activities	<u>133,162.82</u>	<u>(62,147.82)</u>	<u>49,178.06</u>	<u>20,586.53</u>	<u>84,781.62</u>	<u>(29,619.00)</u>	<u>149,773.22</u>	<u>87,571.63</u>	<u>71,615.78</u>	<u>(351,963.13)</u>
Total Government-Wide	<u>\$ 2,015,419.12</u>	<u>\$ (1,385,417.72)</u>	<u>\$ 999,348.52</u>	<u>\$ (472,658.52)</u>	<u>\$ 52,008.91</u>	<u>\$ (108,670.97)</u>	<u>\$ 1,403,329.00</u>	<u>\$ 931,571.18</u>	<u>\$ 218,990.70</u>	<u>\$ (417,051.94)</u>

(1) In the fiscal year ended June 30, 2016, the Charter School began reporting using the full uniform chart of accounts. In prior fiscal years, reporting was based on the Charter School 108 budget lines organized into Instruction, Administration and Support Services and also reported General Fund Debt and Capital Outlay.

(2) Beginning in 2015 amounts included the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

(3) Beginning in 2018 amounts included the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

(4) Beginning in 2021 amounts included the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit A-2

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	<u>2021 (1)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Fiscal Year Ending June 30,</u>		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
					<u>2017</u>	<u>2016</u>				
Fund Balances										
Nonspendable						\$ 61,372.21				
Restricted:										
Debt Service Reserve	\$ 74,314.95	\$ 57,126.66	\$ 73,648.41	\$ 72,589.69	\$ 83,113.95	71,966.40	\$ 412,752.51	\$ 404,167.68	\$ 395,334.08	\$ 390,916.98
Sinking Fund Reserve				1,986,905.35	1,688,380.98	1,392,276.53	1,097,546.66	804,592.87	511,691.63	219,176.28
State Mandated Reserve	75,000.00	75,000.00	75,000.00	75,000.00	75,183.74	75,589.39	75,249.14			
Other Restricted Reserves	3,000,000.00	3,000,000.00								
Committed:										
Other Purposes							857,436.99	406,541.17	390,647.47	459,863.93
Assigned:										
Other Purposes	84,738.91	76,016.86	304,344.99	244,311.23	167,757.18	15,216.39	99,229.16	268,318.44	179,153.27	45,367.09
Unassigned:										
General Fund	2,688,807.91	779,952.63	1,562,343.58	699,748.29	712,354.16	630,046.58	1,275,372.38	486,804.34	230,442.76	148,306.66
Total General Fund	<u>\$ 5,922,861.77</u>	<u>\$ 3,988,096.15</u>	<u>\$ 2,015,336.98</u>	<u>\$ 3,078,554.56</u>	<u>\$ 2,726,790.01</u>	<u>\$ 2,246,467.50</u>	<u>\$ 3,817,586.84</u>	<u>\$ 2,370,424.50</u>	<u>\$ 1,707,269.21</u>	<u>\$ 1,263,630.94</u>
All Other Governmental Funds										
Restricted	\$ 1,035,426.69	\$ 1,021,863.04	\$ 14,158.54	\$ 10,411.06	\$ 22,303.56	\$ 19,425.96	\$ 11,041.96	\$ 4,809.33		\$ 6,357,700.74
Unassigned (Deficit), Reported in:										
Capital Projects Fund							(169,694.63)			
Total All Other Governmental Funds	<u>\$ 1,035,426.69</u>	<u>\$ 1,021,863.04</u>	<u>\$ 14,158.54</u>	<u>\$ 10,411.06</u>	<u>\$ 22,303.56</u>	<u>\$ 19,425.96</u>	<u>\$ (158,652.67)</u>	<u>\$ 4,809.33</u>	<u>\$ -</u>	<u>\$ 6,357,700.74</u>

(1) Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit B-1



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2021 (2)	2020	2019	2018	2017	2016 (1)	2015	2014	2013	2012
<b>Revenues</b>										
Revenue from Local Sources	\$ 1,237,259.21	\$ 648,716.15	\$ 647,749.84	\$ 489,091.78	\$ 356,017.15	\$ 402,312.88	\$ 141,235.49	\$ 169,003.26	\$ 82,752.01	\$ 182,452.54
Charter School Aid:										
Equalization Aid - State and Local Share	19,023,629.00	19,323,707.00	18,701,215.00	18,190,039.00	18,270,672.00	18,319,554.00	18,564,339.00	17,502,834.00	16,039,557.00	11,167,658.00
Categorical Aid	1,019,564.00	1,102,227.00	1,013,869.00	891,713.00	891,273.00	938,908.00	875,400.00	995,483.00	1,064,286.00	695,724.00
Other State Sources	4,041,945.14	3,009,061.62	3,297,962.51	4,294,587.77	3,839,108.13	1,695,874.29	1,292,054.03	1,012,033.52	987,035.29	647,050.28
Federal Sources	2,901,844.34	1,433,599.38	1,726,135.23	1,553,980.33	1,383,776.18	1,698,975.85	1,458,455.86	1,900,904.21	846,358.21	1,844,134.51
<b>Total Revenue</b>	<b>28,224,241.69</b>	<b>25,517,311.15</b>	<b>25,386,931.58</b>	<b>25,419,411.88</b>	<b>24,740,846.46</b>	<b>23,055,625.02</b>	<b>22,331,484.38</b>	<b>21,580,257.99</b>	<b>19,019,988.51</b>	<b>14,537,019.33</b>
<b>Expenditures</b>										
Instruction							7,186,530.87	7,321,896.38	6,568,589.29	5,761,428.62
Administration							6,878,154.05	6,787,372.48	5,025,145.65	3,258,950.46
Support Services							4,948,052.00	4,843,084.84	4,616,241.31	4,509,327.75
Regular Instruction	8,128,535.84	7,497,502.34	7,229,807.33	8,275,477.12	7,364,455.80	6,959,613.05				
Special Education Instruction	517,992.25	583,395.47	679,767.03	565,991.39	392,329.70	303,695.15				
Basic Skills Remedial Instruction						31,850.00				
Bilingual Education Instruction	217,307.37	120,221.27	138,248.83	147,600.79	247,530.20	144,870.62				
School Sponsored Extra Curricular Activities Instruction	15,603.11	3,200.00	9,569.40	4,265.40	7,918.82	3,912.26				
School Sponsored Athletics Instruction	14,749.59	80,870.16	111,199.92	99,245.51	124,845.30	71,448.12				
Before and After School Programs Instruction						18,188.88				
Summer School	16,075.00	90,196.00	71,907.54	93,212.72	86,324.69	80,160.02				
Other Supplemental At Risk Programs				61,088.45	63,690.00	59,508.00				
Community Service Programs	704,149.16	553,202.76	529,025.08	441,937.42	435,560.66	357,550.20				
Support Services and Undistributed Costs:										
Student and Instruction Related Services	2,466,622.43	2,313,628.19	2,543,227.64	2,098,124.69	1,906,003.93	2,111,320.79				
School Administrative Services	810,260.28	1,163,221.92	1,131,347.45	1,243,477.26	1,320,774.54	1,314,710.06				
Other Administrative Services	2,134,087.29	2,383,614.22	2,067,418.21	2,035,324.03	1,886,522.99	1,828,588.57				
Plant Operations and Maintenance	2,864,995.40	3,213,144.90	3,080,745.17	2,780,455.70	2,999,846.47	2,891,659.40				
Pupil Transportation	342,640.53	265,536.24	291,711.64	341,375.12	338,502.41	287,316.10				
Unallocated Benefits	3,339,959.09	3,463,996.66	3,585,508.56	2,853,026.13	3,019,001.86	2,783,653.13				
TPAF Pension and Social Security	3,086,157.14	2,718,035.62	2,588,972.51	2,357,972.22	1,985,828.13	1,675,874.29				
General Fund Debt Service	1,030,136.65	891,186.36	1,152,201.79	1,648,680.83	1,611,805.00	1,567,592.89	1,715,605.81	1,663,937.88	1,674,840.64	1,225,086.25
Capital Outlay	657,367.03	210,673.22	552,164.27	330,809.42	1,654,466.04	2,546,847.77	692,794.65	597,736.63	7,209,893.52	4,587,187.58
<b>Total Expenditures</b>	<b>26,346,638.16</b>	<b>25,551,625.33</b>	<b>25,762,822.37</b>	<b>25,378,064.20</b>	<b>25,445,406.54</b>	<b>25,038,359.30</b>	<b>21,421,137.38</b>	<b>21,214,028.21</b>	<b>25,094,710.41</b>	<b>19,321,980.66</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>1,877,603.53</b>	<b>(34,314.18)</b>	<b>(375,890.79)</b>	<b>41,347.68</b>	<b>(704,560.08)</b>	<b>(1,982,734.28)</b>	<b>910,347.00</b>	<b>366,229.78</b>	<b>(6,074,721.90)</b>	<b>(4,784,961.33)</b>
<b>Other Financing Sources (Uses)</b>										
Trustee Payment of Debt Service						(896,827.08)	(591,770.00)	(588,870.00)	(590,470.00)	(586,570.00)
Deposits Held with Trustee for Debt Service						556,040.97	600,354.83	597,703.60	594,887.10	595,836.95
Deposits Held with Trustee for Sinking Fund			75,444.62	298,524.37	296,104.45	294,729.87	292,953.79	292,901.24	292,610.52	219,081.11
Loan Proceeds		5,385,890.00	7,500,000.00			275,000.00	105,000.00			10,000,000.00
Repayment of Debt		(2,300,684.77)	(8,228,093.81)							
Interest on Repayment of Debt			(39,912.49)							
Closing Costs		(69,843.91)	(71,747.63)							
Prepaid Interest		(583.47)								
Assets Acquired by Capital Lease			80,730.00		891,655.74	365,708.00	268,433.51			
Recovery or Adjustments for State Aid or Federal Grants							(125,697.68)		(136,368.19)	
Transfer to Fund Deficit in Food Service Enterprise Fund						(4,958.19)	(175,921.11)			
Transfers Out				(13,422.63)						(909,139.08)
Transfer In				13,422.63						909,139.08
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>3,014,777.85</b>	<b>(683,579.31)</b>	<b>298,524.37</b>	<b>1,187,760.19</b>	<b>589,693.57</b>	<b>373,353.34</b>	<b>301,734.84</b>	<b>160,659.43</b>	<b>10,228,348.06</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,877,603.53</b>	<b>\$ 2,980,463.67</b>	<b>\$ (1,059,470.10)</b>	<b>\$ 339,872.05</b>	<b>\$ 483,200.11</b>	<b>\$ (1,393,040.71)</b>	<b>\$ 1,283,700.34</b>	<b>\$ 667,964.62</b>	<b>\$ (5,914,062.47)</b>	<b>\$ 5,443,386.73</b>
Debt Service as a Percentage of Noncapital Expenditures	4.2%	3.6%	4.8%	7.0%	7.3%	7.5%	9.0%	8.8%	10.3%	9.1%

(1) In the fiscal year ended June 30, 2016, the Charter School began reporting using the full uniform chart of accounts. In prior fiscal years, reporting was based on the Charter School 108 budget lines organized into Instruction, Administration and Support Services and also reported General Fund Debt and Capital Outlay.

(2) Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit B-2

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Donations	\$ 90,455.65	\$ 3,628.65	\$ 577.10	\$ 121.11	\$ 170.00	\$ 75,170.00	\$ 418.96		\$ 11,772.00	
E-Rate Reimbursements		12,022.48	124,820.00	81,012.90	100,697.78			\$ 22,271.12		
FAB Lab	25,402.00									
Insurance Dividend	91,354.00									
Sale of Assets	3,600.00									
Miscellaneous	7,917.00	9,712.56	11,255.64	17,481.00	5,544.00	95,864.52	24,806.77	3,776.77	6,519.75	
Refunds	168,275.01	1,110.00	7,392.91	21,511.96	6,445.04	65.09	6,852.26	21,514.73	34,741.24	
Cancellation of Prior Year Accounts Receivable or Accounts Payable				(48,999.39)			4,211.85	10,727.64	29,719.02	
	<u>\$ 387,003.66</u>	<u>\$ 26,473.69</u>	<u>\$ 144,045.65</u>	<u>\$ 71,127.58</u>	<u>\$ 112,856.82</u>	<u>\$ 171,099.61</u>	<u>\$ 36,289.84</u>	<u>\$ 58,290.26</u>	<u>\$ 82,752.01</u>	<u>\$ -</u>

\* - 2013 was the first year exhibit J-5 was required, therefore prior year information is not applicable.

Source: Charter School Records.

## **Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the Charter School's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the Charter School's outstanding debt and its debt capacity.

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

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Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>					<u>Total Charter School</u>	<u>Percentage of Personal Income (1)</u>	
	<u>General Obligation Bonds</u>	<u>Mortgages Payable</u>	<u>Capital Leases</u>	<u>Loans Payable</u>	<u>Per Capita (1)</u>			
2021	\$ 20,467,003.33		\$ 912,176.65	\$ 5,220,992.76	\$ 26,600,172.74	Unavailable	Unavailable	
2020	21,221,623.25		404,552.46	5,385,890.00	27,012,065.71	Unavailable	\$ 366.31	
2019	15,783,011.33		667,478.11	1,521,094.44	17,971,583.88	0.44%	244.26	
2018	15,783,011.33		858,376.56	11,783,227.54	28,424,615.43	0.72%	385.26	
2017	16,234,099.53		715,334.45	11,856,553.53	28,805,987.51	0.75%	390.43	
2016	16,673,616.01		531,418.43	11,362,959.73	28,567,994.17	0.77%	386.85	
2015	16,157,992.83	\$ 1,111,304.03	244,500.24	10,095,768.80	27,609,565.90	0.75%	367.01	
2014	6,460,000.00	2,855,169.51	8,930.04	10,000,000.00	19,324,099.55	0.54%	255.29	
2013	6,755,000.00	1,582,514.38	26,268.33	10,000,000.00	18,363,782.71	0.53%	240.66	
2012	7,040,000.00	1,804,376.92	51,021.60	10,000,000.00	18,895,398.52	0.55%	246.26	

**Note:** Details regarding the charter school's outstanding debt can be found in the notes to the financial statements.

- (2) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: Charter School ACFR Exhibits I-1, I-2 and Notes to the Financial Statements

## **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the Charter School operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Charter Schools. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the Charter School operates.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Demographic and Economic Statistics (1)  
Last Ten Fiscal Years  
Unaudited

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<u>Year</u>	<u>Population (2)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (5)</u>
2021	Unavailable	Unavailable	Unavailable	Unavailable
2020	73,740	Unavailable	Unavailable	16.3%
2019	73,575	\$ 4,104,013,500.00	\$ 55,780.00	7.9%
2018	73,780	3,964,937,200.00	53,740.00	8.9%
2017	73,780	3,828,370,420.00	51,889.00	9.8%
2016	73,847	3,709,334,810.00	50,230.00	10.1%
2015	75,228	3,676,317,132.00	48,869.00	11.1%
2014	75,696	3,552,110,496.00	46,926.00	12.7%
2013	76,305	3,453,182,775.00	45,255.00	16.0%
2012	76,729	3,422,727,232.00	44,608.00	18.5%

**Source:**

- (1) Data provided for Camden, New Jersey
- (2) Population information provided by the NJ Dept of Labor and Workforce Development
- (3) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (4) Per Capita personal income is based upon the US Bureau of Economic Analysis CA04 data table.
- (5) Unemployment data provided by the NJ Dept. of Education

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Principal Employers

Current Year and Nine Years Ago

Unaudited

<u>Employer (1)</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Cooper Health Care/Cooper Health Systems	7,000	1	31.53%	10,680	1	38.98%
Cooper Anesthesia Associates PA	4,758	2	21.43%			
Virtua Our Lady Of Lourdes Medical Center	1,468	3	6.61%	2,163	3	7.89%
NFI/ NFI Industries	850	4	3.83%			
Campbell Soup Co/ Campbell Away from Home	700	5	3.15%	822	6	3.00%
Subaru of America Inc.	400	6	1.80%			
Waste Management, Inc.	300	7	1.35%	190	10	0.69%
Adventure Aquarium	290	8	1.31%			
Catelli Brothers Inc	250	9	1.13%			
Contemporary Graphics Inc	250	9	1.13%			
Cooper University Hospital	250	9	1.13%			
Philadelphia Sixers	201	10	0.91%			
On Time Staffing LLC				10,000	2	36.50%
L-3 Communication Systems-East				1,260	4	4.60%
Diocese of Camden New Jersey				1,200	5	4.38%
MAFCO Consolidated Group Inc.				730	7	2.66%
Delaware River Port Authority				623	8	2.27%
Consolidated Rail Corporation				200	9	0.73%
	<u>16,717</u>		<u>75.31%</u>	<u>27,868</u>		<u>101.70%</u>

(1) Source: ReferenceUSA.Com (2020)

## **Operating Information**

Operating information is intended to provide contextual information about the Charter School's operations and resources to assist readers in using financial statement information to understand and assess the Charter School's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the Charter School's operations.



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Full-time Equivalent Charter School Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction	N/A	N/A	N/A	N/A	N/A	N/A	113	102	93	78
Administration	N/A	N/A	N/A	N/A	N/A	N/A	16	21	17	15
Support Services	N/A	N/A	N/A	N/A	N/A	N/A	38	40	36	30
Regular Instruction	103	101	112	131	120	118				
Special Education Instruction	8	9	11	11	8	11				
Basic Skills Remedial Instruction						1				
Bilingual Education Instruction	4	2	2	3	9	4				
Extra Curricular Activities Instruction			2	3		2				
Athletics Instruction	10	5	19	15	15	13				
Summer School	34	34	35	40	40	40				
Other Supplemental At Risk Programs				1	1	1				
Community Service Programs	6	6	6	4	7	4				
Student and Instruction Related Services	22	22	19	20	20	21				
School Administrative Services	13	13	13	21	24	20				
Other Administrative Services	10	10	13	13	15	24				
Plant Operations and Maintenance	35	35	32	25	11	9				
Pupil Transportation	3	3	2	2	2	3				
<b>Total</b>	<b>248</b>	<b>240</b>	<b>266</b>	<b>289</b>	<b>272</b>	<b>271</b>	<b>167</b>	<b>163</b>	<b>146</b>	<b>123</b>

**Source:** Charter School Personnel Records

(1) In the fiscal year ended June 30, 2016, the Charter School began reporting using the full uniform chart of accounts. In prior fiscal years, reporting was based on the Charter School 108 budget lines organized into Instruction, Administration and Support Services.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ending June 30,	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary (K-5)	Middle School (6-8)	High School (9-12)				
2021	1,560	\$ 24,659,134.48	\$ 15,807.14	-0.44%	115	1:20	1:20	1:20	1,543	1,405	1.45%	91.06%
2020	1,540	24,449,765.75	15,876.47	-0.35%	107	1:20	1:20	1:20	1,521	1,436	1.13%	94.41%
2019	1,510	24,058,456.31	15,932.75	3.84%	125	1:20	1:20	1:20	1,504	1,424	-2.21%	94.68%
2018	1,525	23,398,573.95	15,343.33	7.78%	146	1:20	1:20	1:20	1,538	1,438	-0.84%	93.50%
2017	1,558	22,179,135.50	14,235.65	-2.30%	137	1:20	1:20	1:20	1,551	1,460	8.23%	94.13%
2016	1,436	20,923,918.64	14,570.97	5.22%	100	1:20	1:20	1:20	1,433	1,355	4.22%	94.56%
2015	1,373	19,012,736.92	13,847.59	-4.07%	113	1:20	1:20	1:20	1,375	1,301	5.12%	94.62%
2014	1,313	18,952,353.70	14,434.39	6.32%	102	1:20	1:20	1:20	1,308	1,233	9.36%	94.27%
2013	1,194	16,209,976.25	13,576.19	-13.70%	93	1:20	1:20	1:20	1,196	1,137	38.86%	95.07%
2012	860	13,529,706.83	15,732.22	0.30%	78	1:20	1:20	1:20	861	815	13.78%	94.59%

**Sources:** District records and enrollment counts.

**Note:** Enrollment based on end of school year enrollment count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Notes to Preparer:**

Column E is not a link except for the current year.

When the bottom row is removed annually, formulas in column I and W need to be hard keyed to update. Information in the row being removed are needed.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Leap Academy- Lower School (2000)										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	480	480	480	480	480	480	480	480	480	420
Enrollment	491	484	487	476	487	479	480	480	431	419
<b><u>High School</u></b>										
Leap Academy- Upper School (2005)										
Square Feet	56,736	56,736	56,736	56,736	56,736	56,736	56,736	56,736	56,736	56,736
Capacity (students)	380	380	380	380	380	380	380	380	380	380
Enrollment	365	360	360	364	363	354	352	352	343	
<b><u>STEM School</u></b>										
STEM Program (2012)										
Square Feet	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Capacity (students)	300	300	300	300	300	300	480	480	480	
Enrollment	238	230	226	241	242	243	481	481	420	
<b><u>Dr. Gloria Bonilla-Santiago (S.T.E.A.M. Campus)</u></b>										
S.T.E.A.M. Campus (2015)										
Square Feet	73,000	73,000	73,000	73,000	73,000	73,000				
Capacity (students)	480	480	480	480	480	480				
Enrollment	481	466	437	444	478	366				

Number of Schools at June 30, 2021

- Elementary = 1
- Upper Elementary = 1
- STEM Middle = 1
- High School = 1

**Source:** District records, Enrollment Counts

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October enrollment count.

## LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Insurance Schedule

June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy:		
New Jersey School Insurance Group		
Property Section		
Blanket Building & Business Personal Property	\$ 66,946,066.00	\$ 1,000.00
Commercial Inland Marine Section		
Blanket Hardware and Software Limit per Occurrence	1,000,000.00	1,000.00
Boiler and Machinery Section		
Combined Single Limit per Accident for Property Damage and Business Income. Per Accident for Property Damage, 12 hours per accident for Business interruption/ Extra Expense, interruption of service waiting period 24 hours.	100,000,000.00	1,000.00
Commercial Crime Section		
Employee Dishonesty Coverage	100,000.00	1,000.00
Forgery & Alteration Coverage	100,000.00	
Money & Securities Coverage	50,000.00	
Money Orders/ Counterfeit Coverage	50,000.00	
Computer Fraud Converge	100,000.00	
General Liability Section		
Bodily Injury and Property Damage Limit each occurrence	10,000,000.00	
Products and Completed Operations Limit annual aggregate	10,000,000.00	
Sexual Abuse Limit per occurrence	10,000,000.00	
Personal Advertising Injury Limit per occurrence/ annual aggregate	10,000,000.00	
Employee Benefits Liability Limit each claim/ annual aggregate	10,000,000.00	1,000.00
Premises Medical Payments:		
Per Accident	10,000.00	
Per Person	5,000.00	
Business Auto Section		
Combined Single Limit per accident	10,000,000.00	
Comprehensive and Collision Deductible		1,000.00
Public Official Bond		
Business Administrator	250,000.00	
Treasurer	260,000.00	
Environmental Liability Section		
1st Party Cleanup & 3rd Party Liability Coverage	1,000,000.00	
Existing Pollution Events Limit each pollution event	1,000,000.00	
New Pollution Events limit each pollution event	11,000,000.00	
Shared Program Limit annual aggregate		
Privacy & Network Security Liability Section		
Aggregate Limit of Liability for all Damages, Claims Expenses, Penalties and Fines, Expenses and Costs	1,000,000.00	
Limits of Coverage for Privacy Breach Responses Services:		
Notified individual aggregate	250,000.00	
Computer Expert Services, Legal Services and Public Relations and Crisis Management expenses	1,000,000.00	
Self-Insured Retention:		
Liability each claims	25,000.00	
Notified individuals: 25		
Computer Expert Services, and Public Relations and Crisis Management expenses	60,000.00	
Legal Services	5,000.00	
School District Legal Liability Policy		
Aggregate for Each Annual Policy Year	3,000,000.00	
Self-Insured Retention, each loss	25,000.00	
Workers Compensation Policy		
Bodily Injury by Accident, each accident	3,000,000.00	
Bodily Injury by Disease, aggregate limit	3,000,000.00	
Bodily Injury by Disease, each employee limit	3,000,000.00	
Student Accident Policy		
Full Excess - Maximum Benefit Amount	500,000.00	
Catastrophic Student Accident Policy		
Catastrophic Cash Benefit - Maximum Benefit Amount	500,000.00	

## **Charter School Financial Framework - Financial Indicators**

The New Jersey Department of Education (NJDOE) developed the comprehensive Performance Framework to ensure that each and every NJ charter school is serving students with a high-quality education. The Performance Framework - Financial Indicators set the fiscal standards by which all NJ public charter schools will be evaluated, informing both the NJDOE and individual school officials about school performance and sustainability. By utilizing the Performance Framework throughout the charter school's life cycle, NJDOE officials will expand the rigorous standards and metrics by which each and every public charter school is evaluated. Please refer to the following exhibit for the Charter School's Performance Framework Financial Indicators.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
**New Jersey Performance Framework Financial Ratios**  
**Performance Indicators**  
*Unaudited*

	2019 Audit	2020 Audit	2021 Audit	Source
Cash	\$ 3,604,451.00	\$ 6,845,982.29	\$ 8,619,795.90	Audit: Exhibit A-1
Current Assets (include cash)	4,921,069.95	7,740,820.83	9,887,408.67	Audit: Exhibit A-1
Current Liabilities	3,349,329.69	3,363,315.57	3,094,031.65	Audit: Exhibit A-1
Total Expenses	22,197,723.64	22,745,547.34	20,473,854.53	Audit: Exhibit A-2
Change in Net Position	999,348.52	(1,385,417.72)	2,015,419.12	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	1,504	1,521	1,543	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	1,560	1,560	1,560	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Non-Cash Expenses (Pension and Compensated Absences)	646,801.00	1,000,960.02	590,273.85	Audit: Exhibit B-3
Depreciation Expense	1,575,708.10	1,577,643.50	1,620,287.29	Auditor/Workpapers
Interest Expense	1,231,662.84	1,150,794.90	1,250,994.25	Auditor/Workpapers
Principal Payments	890,669.40	985,239.29	1,203,202.65	Auditor/Workpapers
Interest Payments	1,247,939.36	1,153,662.57	1,232,953.48	Auditor/Workpapers

Performance Indicators	2019	2020	2021	3 YR CUM	Calculation****	Target****
<b>Near Term Indicators</b>						
1a. Current Ratio (working capital ratio)	1.47	2.30	3.20		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	59	110	154		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	96%	98%	99%	98%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	No	No	No		Auditor	not in default
<b>Sustainability Indicators</b>						
2a*** 3 Year Cumulative Cash Flow	(1,625,361)	3,241,531	1,773,814	3,389,984	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio (1)	2.08	1.10	2.25		N/A or (Change in Net Position + Depreciation + Interest Expense+Non-Cash Expenses) / (Principal + Interest payments)	>1.10

\* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available  
 \*\* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No  
 \*\*\* 2020 =2020 Cash - 2019 Cash; 2019 =2019 Cash-2018 Cash; 2018 =2018 Cash-2017 Cash  
 \*\*\*\* Refer to NJ Performance Framework

Meets Standard	
Does Not Meet Standard	
Falls Far Below Standard	

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Chairperson and  
Members of the Board of Trustees  
LEAP Academy University Charter School, Inc.  
Camden, New Jersey 08102

**Report on Compliance for Each Major Federal and State Program**

We have audited the LEAP Academy University Charter School, Inc.'s, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the fiscal year ended June 30, 2021. The Charter School's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Charter School's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the LEAP Academy University Charter School, Inc.'s compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the LEAP Academy University Charter School, Inc., in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.



**Report on Internal Control over Compliance**

Management of the LEAP Academy University Charter School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the LEAP Academy University Charter School, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 002459

Voorhees, New Jersey  
March 1, 2022

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2021

Federal Grant / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass -Through Entity Identifying Number	Program or Award Amount	Grant Period From To	
General Fund:							
U.S. Department of Health and Human Services: Passed-through State Department Education: Medical Assistance Program (SEMI)	93.778		1905NJ5MAP	N/A	\$ 40,494.74	7/1/20	6/30/21
Total Medical Assistance Program Cluster							
Total General Fund							
Special Revenue Fund:							
U.S. Department of Education Passed-through State Department of Education: E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010A		S010A180030	ESSA710919	1,242,392.00	7/1/18	6/30/19
Title I Grants to Local Educational Agencies	84.010A		S010A190030	ESSA710920	1,095,876.00	7/1/19	9/30/20
Title I Grants to Local Educational Agencies	84.010A		S010A200030	ESSA710921	1,243,025.00	7/1/20	9/30/21
Title I Grants to Local Educational Agencies - Reallocated	84.010A		S010A190030	ESSA710920	30,665.00	7/1/19	9/30/20
Title I Grants to Local Educational Agencies - Reallocated	84.010A		S010A190030	ESSA710921	40,164.00	7/1/20	9/30/21
Total Title I Grants to Local Educational Agencies							
Supporting Effective Instruction State Grants (Title II)	84.367A		S367A190029	ESSA710920	103,170.00	7/1/19	9/30/20
Supporting Effective Instruction State Grants (Title II)	84.367A		S367A200029	ESSA710921	82,805.00	7/1/20	9/30/21
Total Supporting Effective Instruction State Grants (Title II)							
English Language Acquisition Grants (Title III)	84.365A		S365A190030	ESSA710920	18,319.00	7/1/19	9/30/20
English Language Acquisition Grants (Title III)	84.365A		S365A190030	ESSA710921	28,588.00	7/1/20	9/30/21
English Language Acquisition Grants (Title III, Immigrant)	84.365A		S365A190030	ESSA710920	2,552.00	7/1/19	9/30/20
English Language Acquisition Grants (Title III, Immigrant)	84.365A		S365A190030	ESSA710920	2,553.00	7/1/20	9/30/21
Total English Language Acquisition Grants (Title III)							
Student Support & Academic Enrichment Grant (Title IV)	84.424A		S424A190031	ESSA710920	82,424.00	7/1/19	9/30/20
Student Support & Academic Enrichment Grant (Title IV)	84.424A		S424A200031	ESSA710921	119,015.00	7/1/20	9/30/21
Total Student Support & Academic Enrichment Grant (Title IV)							
Individuals with Disabilities Education Act (IDEA): Special Education Cluster (IDEA):							
Special Education Grants to states (IDEA Basic)	84.027		H027A190030	IDEA710920	328,235.00	7/1/19	9/30/20
Special Education Grants to states (IDEA Basic)	84.027		H027A200030	IDEA710921	355,746.00	7/1/20	9/30/21
Total Special Education Cluster							
Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief Fund (ESSR)(CARES Act)							
	84.425D	COVID-19, 84.425D	S425D200027	Unavailable	844,734.00	03/13/20	09/30/22
Total U.S. Department of Education - Passed-through N.J. State Department of Education							
U.S. Department of Treasury: Passed-through N.J. State Department of Education: Coronavirus Relief Fund:							
Bridging the Digital Divide	21.019	COVID-19	STL0228	Unavailable	309,692.00	07/16/20	10/31/20
School Re-opening and Remote Learning Grant	21.019	COVID-19	STL0228	Unavailable	192,626.00	07/16/20	10/31/20
Total Coronavirus Relief Fund							
Total Special Revenue Fund							
Enterprise Fund:							
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster:							
School Breakfast Program (SBP)	10.553		211NJ304N1099	N/A	802.04	7/1/20	6/30/21
School Breakfast Program (SBP) - Seamless Summer Option	10.553	COVID-19	211NJ304N1099	N/A	381,878.98	7/1/20	6/30/21
National School Lunch Program - Commodities (Noncash)	10.555		211NJ304N1099	N/A	74,663.18	7/1/20	6/30/21
National School Lunch Program	10.555		211NJ304N1099	N/A	12,932.69	7/1/20	6/30/21
National School Lunch Program - Seamless Summer Option	10.555	COVID-19	211NJ304N1099	N/A	590,311.31	7/1/20	6/30/21
Emergency Operational Costs Reimbursement Program	10.555	COVID-19	202121H170341	N/A	177,590.80	7/1/20	6/30/21
Total Child Nutrition Cluster							
P-EBT Administrative Cost	10.649	COVID-19	202121S900941	N/A	3,063.00	7/1/20	6/30/21
Total Enterprise Fund							
Total Federal Financial Assistance							

(a) See Note 6 to the Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance June 30, 2020	Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed - Through Subrecipients	Adjustments <sup>(a)</sup>	Repayment of Prior Years' Balances	Balance, June 30, 2021		Due to Grantor at June 30, 2021
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
		\$ 40,494.74	\$ (40,494.74)		\$ (40,494.74)						
		40,494.74	(40,494.74)		(40,494.74)						
		40,494.74	(40,494.74)		(40,494.74)						
\$ 3,500.00 (373,391.59)		443,201.00	(81,460.59)		(81,460.59)		\$ 11,651.18	\$ (3,500.00)			
		579,795.00	(1,005,274.21)		(1,005,274.21)				\$ (425,479.21)		
		665.00	(665.00)		(665.00)						
		15,164.00	(40,164.00)		(40,164.00)				(25,000.00)		
(369,891.59)		1,038,825.00	(1,127,563.80)		(1,127,563.80)		11,651.18	(3,500.00)	(450,479.21)		
(15,482.37)		15,482.00	(6,599.63)		(6,599.63)		6,600.00				
		35,539.00	(51,242.42)		(51,242.42)				(15,703.42)		
(15,482.37)		51,021.00	(57,842.05)		(57,842.05)		6,600.00		(15,703.42)		
(1,435.36)		1,416.00					19.36				
		14,865.00	(20,615.75)		(20,615.75)				(5,750.75)		
		2,552.00	(2,552.00)		(2,552.00)						
		2,253.00	(2,253.00)		(2,253.00)						
(1,435.36)		21,086.00	(25,420.75)		(25,420.75)		19.36		(5,750.75)		
(55,481.07)		55,481.00					0.07				
		101,529.00	(110,856.65)		(110,856.65)				(9,327.65)		
(55,481.07)		157,010.00	(110,856.65)		(110,856.65)		0.07		(9,327.65)		
(94,530.42)		105,863.00	(11,332.58)		(11,332.58)						
		192,839.00	(337,943.72)		(337,943.72)				(145,104.72)		
(94,530.42)		298,702.00	(349,276.30)		(349,276.30)				(145,104.72)		
		669,314.00	(723,019.81)		(723,019.81)				(53,705.81)		
(536,820.81)		2,235,958.00	(2,393,979.36)		(2,393,979.36)		18,270.61	(3,500.00)	(680,071.56)		
		309,692.00	(309,692.00)		(309,692.00)						
		192,626.00	(192,626.00)		(192,626.00)						
		502,318.00	(502,318.00)		(502,318.00)						
(536,820.81)		2,738,276.00	(2,896,297.36)		(2,896,297.36)		18,270.61	(3,500.00)	(680,071.56)		
		802.04	(802.04)		(802.04)						
		342,900.76	(381,878.98)		(381,878.98)				(38,978.22)		
		74,663.18	(74,663.18)		(74,663.18)						
		11,678.15	(12,932.69)		(12,932.69)				(1,254.54)		
		527,046.65	(590,311.31)		(590,311.31)				(63,264.66)		
			(177,590.80)		(177,590.80)				(177,590.80)		
		957,090.78	(1,238,179.00)		(1,238,179.00)				(281,088.22)		
			(3,063.00)		(3,063.00)				(3,063.00)		
		957,090.78	(1,241,242.00)		(1,241,242.00)				(284,151.22)		
\$ (536,820.81)	\$ -	\$ 3,735,861.52	\$ (4,178,034.10)	\$ -	\$ (4,178,034.10)	\$ -	\$ 18,270.61	\$ (3,500.00)	\$ (964,222.78)	\$ -	\$ -

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2021

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Carryover / (Walkover) Amount
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	
<b>General Fund:</b>							
New Jersey Department of Education:							
Pass Through Local Education Agencies:							
Current Expense:							
State Aid - Public:							
Charter School Aid:							
Local Levy-Equalization Aid (State and Local Share)	20-495-034-5120-078	\$ 19,323,707.00	7/1/19	6/30/20	\$ (446,480.46)	\$ 390,432.07	\$ (79,290.61)
Local Levy-Equalization Aid (State and Local Share)	21-495-034-5121-078	19,023,629.00	7/1/20	6/30/21			79,290.61
Categorical Special Education Aid	21-495-034-5121-089	368,706.00	7/1/20	6/30/21			
Categorical Security Aid	21-495-034-5121-084	650,858.00	7/1/20	6/30/21			
Total Passed-Through Local Education Agencies					<u>(446,480.46)</u>	<u>390,432.07</u>	
State Aid - Public:							
Charter School Aid							
Adjustment Aid	21-495-034-5120-071	653,342.00	7/1/20	6/30/21			
Non-public Charter School Aid	21-495-034-5120-071	302,446.00	7/1/20	6/30/21			
Total Charter School Aid							
Total State Aid - Public					<u>(446,480.46)</u>	<u>390,432.07</u>	
T.P.A.F. Social Security Aid	19-495-034-5094-003	579,981.62	7/1/19	6/30/20	(28,582.90)		
T.P.A.F. Social Security Aid	20-495-034-5094-003	576,892.14	7/1/19	6/30/20			
Total Reimbursed TPAF Social Security Contributions					<u>(28,582.90)</u>		
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted):							
T.P.A.F. Post-Retirement Medical	21-495-034-5094-001	598,070.00	7/1/20	6/30/21			
Teacher's Pension and Annuity Fund	21-495-034-5094-002	1,872,791.00	7/1/20	6/30/21			
T.P.A.F. LTDI	21-495-034-5094-004	2,772.00	7/1/20	6/30/21			
T.P.A.F. Non-contributory Insurance	21-495-034-5094-004	35,632.00	7/1/20	6/30/21			
Total On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted)							
Total General Fund					<u>(475,063.36)</u>	<u>390,432.07</u>	
<b>Enterprise Fund:</b>							
New Jersey Department of Agriculture:							
National School Lunch Program - State	21-100-010-3350-023	6,168.57	7/1/20	6/30/21			
National School Lunch Program - Seamless Summer Option - State	21-100-010-3350-023	29,689.70	7/1/20	6/30/21			
State Appropriation to Schools for Reduced Priced Meals	21-100-010-3350-023	27.20	7/1/20	6/30/21			
Total Enterprise Fund							
Total State Financial Assistance					<u>\$ (475,063.36)</u>	<u>\$ 390,432.07</u>	<u>\$ -</u>
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department Education:							
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted):							
T.P.A.F. Post-Retirement Medical	21-495-034-5094-001	598,070.00	7/1/20	6/30/21			
Teacher's Pension and Annuity Fund	21-495-034-5094-002	1,872,791.00	7/1/20	6/30/21			
T.P.A.F. LTDI	21-495-034-5094-004	2,772.00	7/1/20	6/30/21			
T.P.A.F. Non-contributory Insurance	21-495-034-5094-004	35,632.00	7/1/20	6/30/21			
Total State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit							

(a) See Note 6 to the Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed - Through Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance, June 30, 2021			Memo	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
\$ 364,382.00				\$ (229,043.00)					\$ 19,323,707.00
18,881,874.94	\$ (19,023,629.00)				\$ (427,235.57)		\$ 364,772.12		19,023,629.00
368,706.00	(368,706.00)								368,706.00
650,858.00	(650,858.00)								650,858.00
<u>20,265,820.94</u>	<u>(20,043,193.00)</u>			<u>(229,043.00)</u>	<u>(427,235.57)</u>		<u>364,772.12</u>		<u>39,366,900.00</u>
653,342.00	(653,342.00)								653,342.00
315,925.00	(302,446.00)						13,479.00		302,446.00
969,267.00	(955,788.00)						13,479.00		955,788.00
21,235,087.94	(20,998,981.00)			(229,043.00)	(427,235.57)		378,251.12		40,322,688.00
28,582.90									579,981.62
549,264.98	(576,892.14)				(27,627.16)				576,892.14
577,847.88	(576,892.14)				(27,627.16)				1,156,873.76
598,070.00	(598,070.00)								598,070.00
1,872,791.00	(1,872,791.00)								1,872,791.00
2,772.00	(2,772.00)								2,772.00
35,632.00	(35,632.00)								35,632.00
2,509,265.00	(2,509,265.00)								2,509,265.00
24,322,200.82	(24,085,138.14)			(229,043.00)	(454,862.73)		378,251.12		43,988,826.76
6,168.57	(6,168.57)								6,168.57
21,675.79	(29,689.70)				(8,013.91)				29,689.70
27.20	(27.20)								27.20
27,871.56	(35,885.47)				(8,013.91)				35,885.47
<u>\$ 24,350,072.38</u>	<u>(24,121,023.61)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (229,043.00)</u>	<u>\$ (462,876.64)</u>	<u>\$ -</u>	<u>\$ 378,251.12</u>	<u>\$ -</u>	<u>\$ 44,024,712.23</u>

(598,070.00)  
(1,872,791.00)  
(2,772.00)  
(35,632.00)  
(2,509,265.00)  
\$ (21,611,758.61)

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2021

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the LEAP Academy University Charter School, Inc. (hereafter referred to as the “Charter School”). The Charter School is defined in note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the Charter School, it is not intended to and does not present the financial position and changes in operations of the Charter School.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the Charter School's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: INDIRECT COST RATE**

The Charter School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund, special revenue fund and proprietary fund (enterprise fund - food service) on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is zero for the general fund and \$34,947.76 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance revenues reported in the Charter School's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 40,494.74	\$ 24,085,138.14	\$ 24,125,632.88
Special Revenue	2,861,349.60		2,861,349.60
Food Service	1,241,242.00	35,885.47	1,277,127.47
	<u>4,143,086.34</u>	<u>24,121,023.61</u>	<u>28,264,109.95</u>
GAAP Basis Revenues			
GAAP Adjustments:			
Encumbrances	34,947.76		34,947.76
	<u>34,947.76</u>		<u>34,947.76</u>
Total Awards and Financial Assistance Expended	<u>\$ 4,178,034.10</u>	<u>\$ 24,121,023.61</u>	<u>\$ 28,299,057.71</u>

**Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**Note 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2019-20 \$18,251.18 and rounding adjustments in the collection of federal receivables \$19.43.

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2021, the Charter School was the recipient of federal and state assistance that represented either a reimbursement to the Charter School or payments made on-behalf of the Charter School. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the Charter School's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 8: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued 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 programs:

    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 programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?      yes   X   no

Identification of major programs:

<b><u>Assistance Listing Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
		Child Nutrition Cluster:
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program - Seamless Summer Option</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program - Commodities (Noncash)</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program - Seamless Summer Option</u>
<u>10.555</u>	<u>202121H170341</u>	<u>Emergency Operational Costs Reimbursement Program</u>
		Coronavirus Relief Fund:
<u>21.019</u>	<u>STL0228</u>	<u>Bridging the Digital Divide</u>
<u>21.019</u>	<u>STL0228</u>	<u>School Re-opening and Remote Learning Grant</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee?   X   yes      no



**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Internal control over major programs:

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 programs \_\_\_\_\_  Unmodified  \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes  X  no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

	State Aid Public:
495-034-5121-078	Local Levy - Equalization Aid (State and Local Share)
495-034-5121-089	Categorical Special Education Aid
495-034-5121-084	Categorical Security Aid
495-034-5120-071	Adjustment Aid
495-034-5120-071	Charter School Nonpublic Aid

Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_ \$  750,000.00  \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_  X  yes \_\_\_\_\_ no

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

