



LEAP Academy
UNIVERSITY SCHOOL

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10
FINANCIAL SECTION	
Independent Auditor's Report	12
Required Supplementary Information - Part I Management's Discussion and Analysis	19
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	32
A-2 Statement of Activities	33
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	35
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	37
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Proprietary Funds:	
B-4 Statement of Net Position	39
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	40
B-6 Statement of Cash Flows	41
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	42
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	82
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	93
C-3 Budgetary Comparison Schedule - Note to RSI	96

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Table of Contents (Cont'd)

	Page
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the Charter School's Proportionate Share of the Net Pension Liability-PERS	98
L-2 Schedule of the Charter School's Contributions – PERS	99
L-3 Schedule of the Charter School's Proportionate Share of the Net Pension Liability – TPAF	100
L-4 Schedule of the Charter School's Contributions – TPAF	101
L-5 Notes to the Required Supplementary Information - Part III	102
Required Supplementary Information - Part IV	
M. Schedules Related to Accounting and Reporting for OPEB	
M-1 Schedule of Changes in the Charter School's Total OPEB Liability and Related Ratios	104
M-2 Notes to the Required Supplementary Information - Part IV	105
Other Supplementary Information	
D. School Based Budget Schedules	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	108
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	112
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	113
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	114
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	116
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	117
G-3 Statement of Cash Flows	118
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	120
I-2 Schedule of Obligations under Leases	122
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	125
J-2 Changes in Net Position	126
J-3 Fund Balances - Governmental Funds	128
J-4 Changes in Fund Balances - Governmental Funds	129
J-5 General Fund Other Local Revenue by Source	130

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies and Collections	N/A

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	132
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Table of Contents (Cont'd)

	Page
STATISTICAL SECTION (Unaudited) (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	134
J-15 Principal Employers	135
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	137
J-17 Operating Statistics	138
J-18 School Building Information	139
J-19 Schedule of Required Maintenance Expenditures by School Facility	N/A
J-20 Insurance Schedule	140
Financials Indicators	
J-21 Financial Indicators - Fiscal Ratios	142
SINGLE AUDIT SECTION	
K-1 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	16
K-2 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	144
K-3 Schedule of Expenditures of Federal Awards, Schedule A	147
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	149
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	151
Schedule of Findings and Questioned Costs:	
K-6 Summary of Auditor's Results	153
K-6 Schedule of Current Year Findings	155
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	158

INTRODUCTORY SECTION

March 16, 2023

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, 2022, 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 Charter 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 2021-2022 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**

PUBLIC MEMBERS

Mathew Closter, Ph.D.
Anthony M. Lowman
Margaret Manthe
Cal Maradonna
Bette Mengesha
Donna Nickitas, Ph.D.
Yosmeriz Roman, Ph.D.
Omar Samaniego
Margo Venable

PARENT REPRESENTATIVES

Hector Nieves
Brenda Ortiz
Lisa Wright

CHIEF OPERATIONS OFFICER/LEAD PERSON

Stephanie Rogers

CHIEF ACADEMIC OFFICER

Jozian 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

Fiscal Year	Student Enrollment	Percent Change
2021-2022	1,560	0%
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: The mission of the LEAP Academy has endured as the guiding compass over the last 25 years. LEAP’s mission to “*enhance the 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*” galvanizes the collective hopes and expectations of its stakeholders from parents to students, staff and board members. Its broad scope guides the school’s curriculum, and overall design as we continue to drive forward. That mission became essential, as the school coalesced to address the challenges of the global pandemic, racial insurrection, equity, inclusion and acceptance of differences, the increasing violence in many communities across the nation and heightening vulnerability of our families, children and communities. The pandemic, has intensified our need to address challenging issues such as learning loss, trauma and social-emotional deficits of our students and families. 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. With a renewed sense of purpose, LEAP Academy is charging forward knowing that we must try different approaches, that we must focus on our children and find ways to reach them, rebuild them and ensure that they can overcome the challenges of this changing world and become the global citizens that we envision.

Over the years since the school opened in 1997, LEAP has remained steadfast in protecting and strengthening its core design elements in areas of teaching and learning, parent and community engagement, entrepreneurship, social/emotional development and focus on pipeline cultivation that leads to college and career. As the school adjusted to a new reality, our academic and organizational design has provided the flexibility to integrate four priorities:

1. To safely reopen schools for in-person learning.
2. Find creative ways to reengage students and create effective and targeted learning environments.
3. Focus on supporting students in recovering unfinished learning and broader needs, including the social and emotional needs created by trauma, isolation and uncertainty.
4. Facilitate processes for staff and teachers to recommit and reimagine our educational approaches and strategies to ensure long-term academic success of all our students.

Our focus on STEM and technology proved effective in our expansion of learning using virtual platforms. While the transition to an all-virtual learning platform was the only mechanism to reach students during the lockdown period, LEAP has been able to capitalize on the positive aspects of virtual and hybrid learning and connectivity to provide extended learning opportunities and to reach more of the school's stakeholder base as platforms like Zoom resulted on increased participation of parents in school's events. Technology has also been useful when quarantining students to ensure that instruction is provided.

The availability of on-site programs and services given our integrated model, provided a school ecosystem that targets the whole child and this design feature became strategically important to address the mental, social, emotional and health needs of students. Our Family Support Center and counseling units were hard at work working with children and families in crisis. Our Health Center became the focal point for COVID testing and vaccination and our Parents unit provided an abundance of programs and resources for families as they struggled with access to food, the realities of unemployment, grief and basic support at a time of need. Our pipeline approach was also essential to address families that are part of system of care from birth through high school. With siblings and family members all attending LEAP Academy, our family focus became the best strategy to engage, and address multi-dimensional and multi-generational needs.

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 2022 was the 18th 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 10th and 11th grades. All students enrolled in Early College during their senior year through a partnership with Rutgers University and Rowan University. Collectively, LEAP senior class amassed 1,644 total early college credits for an average of over 15.8 college credits per student, representing a full semester head start for these students as they enter their official first year of college. Collectively, the 2021 LEAP senior class amassed 1,644 total early 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 Charter 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 Charter School's management. As part of the Charter 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 Charter School has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the Charter 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, 2022.

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 Charter School 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 Charter School continues to meet its responsibility for sound financial management.

DEBT ADMINISTRATION: The Charter School's outstanding debt, including the component units, at the close of the fiscal year was \$25,688,045.92. 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, financed purchases of school buses, computers, and furniture and lease liabilities for school buses and office equipment.

CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The Charter 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 Charter School utilizes Republic Bank as its main depository for school funds. The Business Administrator utilizes the investment vehicles available through Republic. This program meets the GUDPA requirements. The Charter 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.

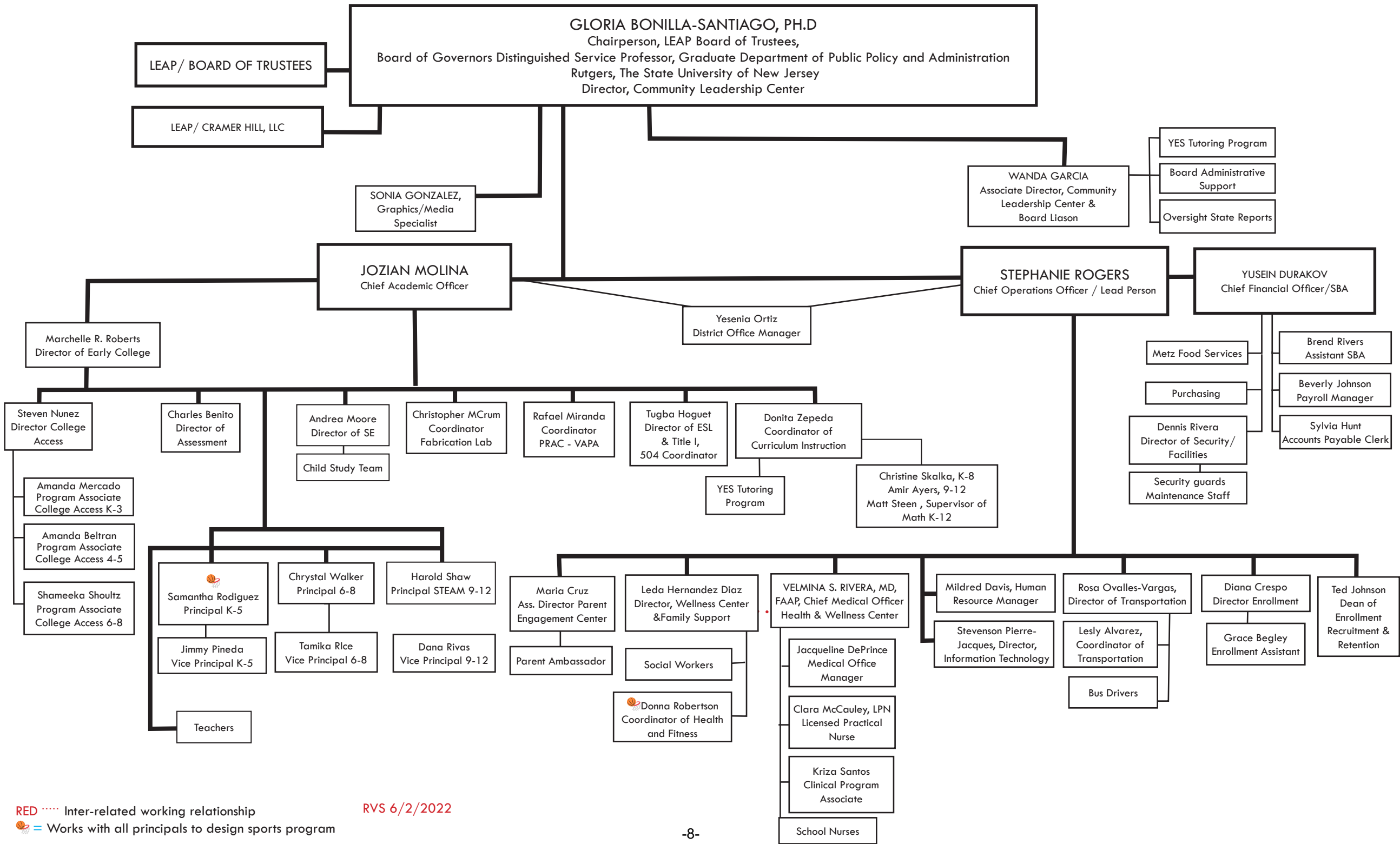
OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also 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 the reby 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,

A handwritten signature in cursive script that reads "Gloria Bonilla-Santiago".

Dr. Gloria Bonilla-Santiago
Board Chair



RED Inter-related working relationship
 = Works with all principals to design sports program

RVS 6/2/2022

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
CAMDEN, NEW JERSEY
ROSTER OF OFFICIALS
June 30, 2022**

Members of the Board of Trustees

Officers:

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

Public Members:

Dr. Mathew Closter
Dr. Anthony M. Lowman
Margaret Manthe
Cal Maradonna
Bette Mengesha
Dr. Yosmeriz Roman
Omar Samaniego
Margo Venable

Parent Representatives:

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
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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 Audit of the Financial Statements

Opinions

We have audited 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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the Charter School has determined that certain disclosures of long-term liabilities relating to capital leases in the prior fiscal year are now disclosed as financed purchases (note 6). In addition, the Charter School has recorded leases receivable and deferred inflows of resources related to lease agreements (note 1 and note 3). Our opinion is not modified with respect to this matter.

24300

Emphasis of Matter (Cont'd)

Consistency of Financial Statements (Cont'd)

Because of the implementation of GASB Statement No. 87, the Charter School has determined that certain disclosures of leases, formerly classified as operating, now meet the criteria of this Statement. As a result, a capital asset and long-term liability are recorded for the underlying lease (notes 5 and 6). Our opinion is not modified with respect to this matter.

Restatement of Prior Period Financial Statements

In addition, because of the implementation of GASB Statement No. 87, net position as of July 1, 2021 of governmental activities on the statement of activities has been restated, as discussed in note 17 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LEAP Academy University Charter School, Inc.'s basic financial statements. The combining statements and related major fund supporting statements and schedules, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

24300

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023 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 16, 2023

Exhibit K-1

**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, 2022, 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 16, 2023. 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 resulting from the new accounting principle. Also, our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the implementation of the new accounting principle.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 16, 2023

**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, 2022
(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, 2022. 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 (2021-2022) and the prior fiscal year (2020-2021) 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 \$11,975,626.41 at the close of the current fiscal year. Of this amount, \$11,327,357.03 represents net position of governmental activities and \$648,269.38 for Business-Type activities. At June 30, 2021, these were \$4,575,863.91 and \$507,017.21, respectively.
- As of the close of the current fiscal year, the Charter School's governmental funds reported combined ending fund balances of \$11,781,591.83, an increase of \$4,823,303.37, in comparison with the prior fiscal year combined ending fund balances, which were \$6,958,288.46.
- At the beginning of fiscal year 2022, the Charter School implemented GASB Statement No. 87, Leases. This implementation involved the recognition of lease assets \$618,113.50 net of lease accumulated amortization (\$320,621.36), leases receivable \$1,953,003.92, lease interest revenue \$72,362.42, lease revenue \$72,601.20, lease liabilities \$309,502.27 and the interest associated with the lease liabilities has been recognized with other interest on long-term debt. Future lease revenue has been recognized as deferred inflows of resources related to lease revenue \$1,435,283.56. Also from the implementation is capital leases are now financed purchases. This implementation involved a prior period adjustment that is disclosed in the Notes to the Financial Statements Note 17.

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.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

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

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is like 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 realized regardless of when cash is received or paid.

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 are divided into two categories: governmental funds and proprietary funds.

Governmental funds - governmental funds are used to account for 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; 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.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

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 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.

THE CHARTER SCHOOL AS A WHOLE

Table A-1 provides a summary of the Charter School's net position for fiscal years 2022 and 2021.

Table A-1
Statements of Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$16,672,294.81	\$ 9,847,085.64	\$ 474,229.90	\$ 338,238.33	\$ 17,146,524.71	\$10,185,323.97
Capital Assets	31,536,206.28	31,933,893.80	201,798.53	169,378.88	31,738,004.81	32,103,272.68
Total Assets	48,208,501.09	41,780,979.44	676,028.43	507,617.21	48,884,529.52	42,288,596.65
Deferred Outflows of Resources - Related to Pensions	2,334,334.00	3,974,250.00			2,334,334.00	3,974,250.00
Long-term Liabilities	29,601,167.47	34,172,885.88			29,601,167.47	34,172,885.88
Other Liabilities	2,990,604.03	3,093,431.65	27,759.05	600.00	3,018,363.08	3,094,031.65
Total Liabilities	32,591,771.50	37,266,317.53	27,759.05	600.00	32,619,530.55	37,266,917.53
Deferred Inflows of Resources - Related to Lease Revenue	1,435,283.56				1,435,283.56	
Related to Pensions	5,188,423.00	3,913,048.00			5,188,423.00	3,913,048.00
	6,623,706.56	3,913,048.00			6,623,706.56	3,913,048.00
Net Position						
Net Investment in Capital Assets	8,678,532.39	8,245,892.41	201,798.53	169,378.88	8,880,330.92	8,415,271.29
Restricted	2,446,477.10	2,325,418.27			2,446,477.10	2,325,418.27
Unrestricted (Deficit)	202,347.54	(5,995,446.77)	446,470.85	337,638.33	648,818.39	(5,657,808.44)
Total Net Position	\$11,327,357.03	\$ 4,575,863.91	\$ 648,269.38	\$ 507,017.21	\$ 11,975,626.41	\$ 5,082,881.12

Governmental Activities

In the governmental activities, total assets increased by \$6,427,521.65. Overall, the Charter School's cash position increased \$3,225,024.58 since June 30, 2021. Receivables increased \$3,448,026.24. Capital assets (net) decreased by (\$397,687.52) because the depreciation of existing assets exceeded the value of newly acquired capital assets.

Deferred outflows decreased (\$1,639,916.00) 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, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Governmental Activities (Cont'd)

Total liabilities decreased by (\$4,674,546.03). Most significant was a net decrease in noncurrent liabilities of (\$4,510,160.95). This included a decrease in bonds payable of (\$777,739.24); loans payable of (\$187,103.02); financed purchases of (\$263,409.45) and net pension liability of (\$3,600,152.00) offset with an increase in lease liability of \$309,502.27 and compensated absences of \$8,740.49. Also contributing to the net decrease in liabilities were decrease for amounts payable to the state of (\$13,479.00); amounts payable to local school districts of (\$240,993.12) and accrued interest payable of (\$8,713.57); offset by an increase for unearned revenue of \$9,400.00,

Deferred inflows of resources increased by \$2,710,658.56 because of GASB 68 for the Charter School's participation in various pension plans \$1,275,375.00 and lease revenue \$1,435,283.56.

At June 30, 2022, net position was \$11,327,357.03, an increase of \$6,751,493.12 over the net position at June 30, 2021, which was \$4,575,863.91.

The largest portion of net position, \$8,678,532.39 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, 2021, net investment in capital assets was \$8,245,892.41.

An additional component of the Charter School's net position represents resources that are restricted, which totaled \$2,446,477.10 consisting of amounts restricted for debt service, grant expenditures and other restricted purposes. At June 30, 2021, restricted net position was \$2,325,418.27.

The third and final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the other two components of net position. At the end of the current fiscal year, the Charter School's unrestricted net position was \$202,347.54. At June 30, 2021, unrestricted deficit was (\$5,995,446.77).

Business-Type Activities

In the business-type activities, total assets increased \$186,411.22. The cash position increased \$382,613.59. Accounts receivable decreased (\$95,820.25). Inventories decreased by (\$955.35). Capital assets net of accumulated depreciation increased by \$32,419.65

Liabilities which included accounts payable increased by \$27,159.05.

At June 30, 2022, net position was \$648,269.38 comprised of net investment in capital assets of \$201,798.53 and unrestricted net position of \$446,470.85. 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.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(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 2022 and 2021.

Table A-2
Changes in Net Position

	Governmental		Business-Type		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 85,937.97	\$ 18,156.72	\$ 229,723.68	\$ 69,472.57	\$ 315,661.65	\$ 87,629.29
Operating Grants and Contributions	10,061,454.91	8,643,716.19	1,600,441.88	1,277,127.47	11,661,896.79	9,920,843.66
Capital Grants and Contributions	568,579.02	28,176.26			568,579.02	28,176.26
General revenues:						
Charter School Aid	22,526,094.00	20,043,193.00			22,526,094.00	20,043,193.00
State and Federal Aid - Not Restricted	123,623.56	996,282.74			123,623.56	996,282.74
Investment Earnings	20,279.59	24,246.11	224.13	77.61	20,503.72	24,323.72
Lease Interest	72,362.42				72,362.42	
Lease Revenue	72,601.20				72,601.20	
Miscellaneous Income	1,463,229.07	1,425,474.19			1,463,229.07	1,425,474.19
Loss on Disposal of Capital Assets			(616.00)		(616.00)	
Total Revenues	34,994,161.74	31,179,245.21	1,829,773.69	1,346,677.65	36,823,935.43	32,525,922.86
Expenses						
Regular Instruction	9,869,592.51	9,225,185.15			9,869,592.51	9,225,185.15
Special Education Instruction	424,911.07	517,992.25			424,911.07	517,992.25
Bilingual Education Instruction	164,000.47	217,307.37			164,000.47	217,307.37
School Sponsored Extra Curricular Activities Instruction	62,168.25	15,603.11			62,168.25	15,603.11
School Sponsored Athletics Instruction	97,578.65	14,749.59			97,578.65	14,749.59
Summer School		16,075.00				16,075.00
Community Service Programs	625,826.07	696,559.75			625,826.07	696,559.75
Support Services and Undistributed Costs:						
Student and Instruction Related Services	3,113,498.53	2,463,328.28			3,113,498.53	2,463,328.28
School Administrative Services	783,384.36	847,631.91			783,384.36	847,631.91
Other Administrative Services	2,297,773.91	2,211,014.27			2,297,773.91	2,211,014.27
Plant Operations and Maintenance	2,177,969.00	1,827,054.39			2,177,969.00	1,827,054.39
Pupil Transportation	725,859.99	353,784.28			725,859.99	353,784.28
Unallocated Benefits	7,170,653.12	9,639,709.31			7,170,653.12	9,639,709.31
Interest on Long Term Debt	121,1973.41	1,250,994.25			121,1973.41	1,250,994.25
Food Services			1,688,521.52	1,213,514.83	1,688,521.52	1,213,514.83
Total Expenses	28,725,189.34	29,296,988.91	1,688,521.52	1,213,514.83	30,413,710.86	30,510,503.74
Net Increase/(Decrease) in Net Position	6,268,972.40	1,882,256.30	1,125,252.17	133,162.82	6,410,224.57	2,015,419.12
Net Position -- July 1	4,575,863.91	2,622,881.87	507,017.21	373,854.39	5,082,881.12	2,996,736.26
Prior Period Adjustment	482,520.72	70,725.74			482,520.72	70,725.74
	5,058,384.63	2,693,607.61	507,017.21	373,854.39	5,565,401.84	3,067,462.00
Net Position -- June 30	\$ 11,327,357.03	\$ 4,575,863.91	\$ 648,269.38	\$ 507,017.21	\$ 11,975,626.41	\$ 5,082,881.12

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Governmental Activities

During fiscal year 2022, the Charter School's total revenues increased by \$3,814,916.53 increasing from \$31,179,245.21 in fiscal year 2021 to \$34,994,161.74 in fiscal year 2022. The net increase in total revenues is attributable to the following:

- Charges for services from student activities increased \$67,781.25 representing a return from the conditions experience during the pandemic.
- Operating Grants and Contributions increased \$1,417,738.72. 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.
- Capital Grants and Contributions increased \$540,402.76. This revenue includes restricted grants expended for the acquisition of capital assets.
- The Charter School had an increase in Charter School Aid of \$2,482,901.00. These revenues are Local Levy Equalization Aid State and Local Share, Security Aid and Special Education Aid.
- Miscellaneous revenues increased \$37,754.88.
- The Charter School recognized separately from miscellaneous revenue amounts received for lease interest revenue \$72,362.42 and lease revenue \$72,601.20 because of the implementation of GASB 87 from revenue sources in the component unit, LEAP Cramer Hill, LLC
- State and Federal Aid, which is not restricted, decreased (\$872,659.18). This revenue includes Adjustment Aid and Nonpublic Aid received direct from the State of New Jersey and federal SEMI Medicaid.
- Investment earnings decreased (\$3,966.52).

During fiscal year 2022, the Charter School's total expenses decreased by \$571,799.57, decreasing from \$29,296,988.91 in fiscal year 2021 to \$28,725,189.34 in fiscal year 2022.

- Instruction increased \$611,338.48.
- Community service programs comprised of the clinic decreased (\$70,733.68).
- Student and instruction related services increased \$650,170.25.
- Administrative services increased \$22,512.09.
- Plant operations and maintenance decreased \$350,914.61.
- Pupil transportation increased \$372,075.71.
- Employee benefits which include TPAF Social Security, Pensions and post-retirement benefits decreased (\$2,469,056.19).
- Interest on long-term debt decreased (\$39,020.84).

Business-Type Activities

For 2022, business-type revenues were \$1,829,773.69, a 36% increase over the 2021 revenues, which were \$1,346,677.65. This increase is due to the mostly return to full operations after the pandemic.

The largest sources of business-type revenues (87%) were for operating grants \$1,600,441.88. These were \$1,277,127.47 in 2021. Charges for services were \$229,723.68, 13% in 2022. Charges for services in 2021 were \$69,472.57. The remainder was for interest earnings which were \$224.13 in 2022 and \$77.61 in 2021.

Expenditures for business-type activities were \$1,688,521.52 in 2022, an increase of \$475,006.69 over expenditures of \$1,213,514.83 in 2021.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(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 2022 and 2021.

Table A-3
Net Cost of Governmental Activities

	<u>Source</u>	<u>2022</u>		<u>2021</u>	
		<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities:					
Regular Instruction	A-2	\$ 9,869,592.51	\$ 7,308,785.99	\$ 9,225,185.15	\$ 7,618,758.08
Special Education Instruction	A-2	424,911.07	424,911.07	517,992.25	517,992.25
Bilingual Education Instruction	A-2	164,000.47	164,000.47	217,307.37	217,307.37
School Sponsored Extra Curricular Activities Instruction	A-2	62,168.25	62,168.25	15,603.11	15,603.11
School Sponsored Athletics Instruction	A-2	97,578.65	97,578.65	14,749.59	14,749.59
Summer School	A-2			16,075.00	16,075.00
Community Service Programs	A-2	625,826.07	625,826.07	696,559.75	696,559.75
Support Services and Undistributed Costs:					
Student and Instruction Related Services	A-2	3,113,498.53	611,338.04	2,463,328.28	1,393,610.49
School Administrative Services	A-2	783,384.36	783,384.36	847,631.91	847,631.91
Other Administrative Services	A-2	2,297,773.91	2,297,773.91	2,211,014.27	2,211,014.27
Plant Operations and Maintenance	A-2	2,177,969.00	1,972,561.00	1,827,054.39	1,827,054.39
Pupil Transportation	A-2	725,859.99	725,859.99	353,784.28	353,784.28
Unallocated Benefits	A-2	7,170,653.12	1,723,056.23	9,639,709.31	3,625,805.00
Interest on Long Term Debt	A-2	1,211,973.41	1,211,973.41	1,250,994.25	1,250,994.25
Total Governmental Activities		\$ 28,725,189.34	\$ 18,009,217.44	\$29,296,988.91	\$20,606,939.74

THE CHARTER SCHOOL'S FUNDS

Governmental Funds

As the Charter School completed the fiscal year, its governmental funds reported a *combined* fund balance of \$11,781,591.83, an increase of \$4,823,303.37 over the balance of \$6,958,288.46 at June 30, 2021. Of the combined ending fund balances, the general fund had an unassigned fund balance of \$5,403,838.45. The remainder of fund balances are unspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been earmarked. These are (1) unspendable prepaid expenditures \$2,311.93; (2) restricted for debt service reserve \$74,360.78; (3) restricted for a state mandated charter school escrow reserve \$75,000.00; (4) restricted by the Charter School's agreements with its financial institution \$3,000,000.00; (5) restricted in the special revenue fund for local grants \$150,000.00 and the Student Activity/ Parent Unit Fund \$71,124.38; (6) restricted for an ongoing capital project \$830,372.03; (7) committed by the Board of Trustees for maintenance \$2,000,000.00; or (8) assigned for fiscal year-end encumbrances \$174,584.26. 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 \$5,403,838.45.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(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 \$4,807,233.65. The primary factors affecting the fund balance of the general fund are as follows:

Revenues increased \$3,014,772.70 from \$25,210,629.66 in 2021 to \$28,225,402.36 in 2022.

- An increase of \$2,625,736.96 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 \$313,285.92 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 \$75,749.82 which is SEMI Medicaid, revenues from the participation in COVID-19 testing and FEMA Public Assistance Grants.

There was a net increase in expenditures of \$143,524.36 from \$23,275,864.04 in fiscal year 2021 to \$23,419,388.40 in the current fiscal year.

- A decrease of (\$274,744.54) for instruction.
- A decrease of (\$244,470.39) for student and instruction related services.
- A decrease of (30,711.50) for school and other administrative services.
- An increase of \$198,790.94 for plant operations.
- A decrease of (\$83,981.71) for community service programs which includes the clinic.
- An increase of \$196,762.66 for pupil transportation.
- An increase of \$508,308.14 for employee benefits including TPAF Social Security and Pension that are state funded.
- An increase of \$104,180.43 for debt service.
- A decrease of (\$230,609.67) for capital outlay.

In Other Financing Sources, the Charter School recognized a lease to offset the lease added to capital outlay for a postage machine. There were no Other Financing Sources and (Uses) in fiscal year 2021.

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, which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Fiscal year 2022 activity resulted from the Charter School administering and operating programs funded by Federal Awards: Title I, Part A; Title II, Part A, Title III; Title IV; and I.D.E.A. Part B which included American Rescue Plan funding, Education Stabilization Fund which included CARES ESSER, CRSA ESSER II ARP ESSER and ARP Homeless Children and Youth. State Awards: Preschool and Charter School Security Grant and Charter School and Renaissance School Project Emergent and Capital Maintenance Fund Applications. In addition, the Charter School has several local awards and manages the student activity, parent unit and scholarship funds in the special revenue fund.

Total revenues were \$6,283,027.80 and total expenditures were \$6,178,536.14 from these programs. In the prior year, revenues were \$3,001,892.03 and expenditures were \$2,977,848.09.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

THE CHARTER SCHOOL'S FUNDS (CONT'D)

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, 2022, fund balance in the capital projects fund was \$830,372.03. At June 30, 2021, fund balance was \$918,793.97. The fund balance is for an ongoing capital project for which expenditures for \$88,421.94 in 2022 and \$92,926.03 in 2021.

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 \$648,269.38, which was comprised of \$201,798.53 net investment in capital assets and \$446,470.85 unrestricted net position. During the fiscal year, the net position of the food service fund increased \$141,252.17 over the net position at June 30, 2021 of \$507,017.21.

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 \$23,041,342.26, an increase of \$546,814.68 over the original anticipated revenue of \$22,494,527.58. Total budgeted revenues realized equaled \$28,225,402.36, which was \$5,184,060.10 more than 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 \$4,177,402.10; local sources of \$942,427.90; other state \$13,054.00 and federal sources of \$56,851.10. These excesses were either amount that were not budgeted or revenue sources more than the amounts budgeted.

The final budgetary basis expenditure appropriation estimate was \$23,724,403.55. This is an increase of \$977,413.03 over the original budgeted estimate. Actual expenditures were \$22,746,990.52 and less than the final budget estimate by \$305,015.15. This results from appropriations which have not been expended or are encumbered at fiscal year-end offset by an excess of (\$4,177,402.10) for expenditures 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 \$1,175,266.20 (increase in budgeted revenues and appropriations). The modifications resulted from approved increases in federal, state, local awards, which were not known at the time the annual budget was adopted, and the establishing of budgets for the student activity/ parent unit and scholarship funds which do not have formally adopted budgets.

Capital Projects Fund Budgetary Highlights

For the fiscal year ended June 30, 2022, the budget for a capital project was \$918,793.97. Actual expenditures were \$88,421.94. At the end of the current fiscal year, a budget balance of \$830,372.03 is available for the ongoing capital project.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(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, 2022 amounted to a historical cost of \$54,254,207.86, or \$31,738,004.81 net of accumulated depreciation (see Table A-4). This balance of capital assets includes land, buildings and improvements, equipment and vehicles and includes leased asset of equipment and vehicles. Capital assets decreased by (\$365,267.87.58) in fiscal year 2022 from fiscal year 2021. The key factors in this net increase are as follows:

- Improvements to real property increased \$315,878.34.
- Through acquisition, equipment increased \$609,598.65.
- Through recognition of operating leases as lease liabilities, leased assets - vehicles increased \$408,903.50.
- Through recognition of operating leases as lease liabilities, leased assets - equipment increased \$209,210.00.
- Construction in Progress was established for costs incurred to date for an ongoing capital project for \$88,421.94
- From the depreciation and amortization on existing and newly acquired capital assets, accumulated depreciation increased \$1,997,280.30.

Table A-4

	Capital Assets (Net of Accumulated Depreciation)					
	Governmental		Business-Type		Total	
	Activities		Activities		Total	
	2022	2021	2022	2021	2022	2021
						(Restated)
Land	\$ 2,183,511.00	\$ 2,183,511.00			\$ 2,183,511.00	\$ 2,183,511.00
Construction in Progress	181,347.97	92,926.03			181,347.97	92,926.03
Buildings & Bldg Improvements	42,553,959.71	42,238,081.37			42,553,959.71	42,238,081.37
Leased Assets - Equipment	209,210.00				209,210.00	
Equipment	6,969,044.78	6,411,908.72	\$ 588,806.22	\$ 536,343.63	7,557,851.00	6,948,252.35
Leased Assets - Vehicles	408,903.50				408,903.50	
Vehicles	1,159,424.68	1,159,424.68			1,159,424.68	1,159,424.68
Total Capital Assets	53,665,401.64	52,085,851.80	588,806.22	536,343.63	54,254,207.86	52,622,195.43
Less: Accumulated Depreciation and Amortization	(22,129,195.36)	(20,151,958.00)	(387,007.69)	(366,964.75)	(22,516,203.05)	(20,518,922.75)
Net Capital Assets	\$ 31,536,206.28	\$ 31,933,893.80	\$ 201,798.53	\$ 169,378.88	\$ 31,738,004.81	\$ 32,103,272.68

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

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

CAPITAL ASSET AND DEBT ADMINISTRATION

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 \$19,695,886.72 of bonded debt outstanding that included general obligation bonds \$3,088,446.79 and charter school revenue bonds \$16,607,439.93 (including an unamortized premium on issuance of \$6,394.26) outstanding, a decrease of (\$777,739.24) from the last fiscal year.

Loans Payable. At the end of the current fiscal year, the Charter School had a balance of \$5,033,889.74 in loans payable, a decrease of (\$187,103.02) from the last fiscal year.

Financed Purchases. 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 financed purchases totaling \$648,767.19 outstanding, a decrease of (\$263,409.45) from the last fiscal year.

Lease Liability. At the end of the current fiscal year, the Charter School had leases totaling \$309,502.27 outstanding, a decrease of (\$120,469.17) from the last fiscal year which has been restated due the implementation of GASB Statement No. 87, Leases.

Compensated Absences. At the end of the current fiscal year, the Charter School had a \$158,259.16 liability for compensated absences, a net increase of \$8,740.49 from the last fiscal year.

Net Pension Liability. At the end of the current fiscal year, the Charter School had a \$5,076,313.00 liability for its proportionate share of the net pension liability in the Public Employees' Retirement System; a net decrease of (\$3,600,152.00).

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 76% of total revenue in the general fund is from the local and state levy, 4% is from categorical aid, 15% from other state aid, 5% 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, 2022

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 6,326,160.80	\$ 420,703.79	\$ 6,746,864.59
Receivables, net (Note 3)	2,791,091.29	211,468.93	3,002,560.22
Prepaid Expenses	2,311.93		2,311.93
Internal Balances	162,047.42	(162,047.42)	
Inventories		4,104.60	4,104.60
Restricted Cash and Cash Equivalents:			
For Student Activity/Parent Unit	71,124.38		71,124.38
Deposits Held for Restricted Reserves	3,000,000.00		3,000,000.00
Deposits Held for Debt Service	1,111,486.66		1,111,486.66
Deposits Held for Capital Projects	1,000,000.00		1,000,000.00
Noncurrent Assets:			
Restricted Cash - Deposits Held for Long-Term Reserves	297,958.44		297,958.44
Receivables, net (Note 3)	1,910,113.89		1,910,113.89
Capital Assets, net (Note 5)	31,536,206.28	201,798.53	31,738,004.81
Total Assets	<u>48,208,501.09</u>	<u>676,028.43</u>	<u>48,884,529.52</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 7)	2,334,334.00		2,334,334.00
LIABILITIES:			
Current Liabilities:			
Accounts Payable:			
Other	857,529.21	27,759.05	885,288.26
Related to Pensions	477,853.00		477,853.00
Payable to Local Government	123,779.00		123,779.00
Unearned Revenue	9,400.00		9,400.00
Accrued Interest Payable	200,592.21		200,592.21
Noncurrent Liabilities (Note 6):			
Due within One Year	1,321,450.61		1,321,450.61
Due beyond One Year	29,601,167.47		29,601,167.47
Total Liabilities	<u>32,591,771.50</u>	<u>27,759.05</u>	<u>32,619,530.55</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Lease Revenue	1,435,283.56		1,435,283.56
Related to Pensions (Note 7)	5,188,423.00		5,188,423.00
Total Deferred Inflows of Resources	<u>6,623,706.56</u>		<u>6,623,706.56</u>
NET POSITION:			
Net Investment in Capital Assets	8,678,532.39	201,798.53	8,880,330.92
Restricted for:			
Debt Service	927,394.28		927,394.28
Student Activity/ Parent Unit	71,124.38		71,124.38
Local Grants	150,000.00		150,000.00
Other Purposes	1,297,958.44		1,297,958.44
Unrestricted (Deficit)	202,347.54	446,470.85	648,818.39
Total Net Position	<u>\$ 11,327,357.03</u>	<u>\$ 648,269.38</u>	<u>\$ 11,975,626.41</u>

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, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Regular Instruction	\$ 9,869,592.51		\$ 2,560,806.52		\$ (7,308,785.99)		\$ (7,308,785.99)
Special Education Instruction	424,911.07				(424,911.07)		(424,911.07)
Bilingual Education Instruction	164,000.47				(164,000.47)		(164,000.47)
School Sponsored Extra Curricular Activities Instruction	62,168.25				(62,168.25)		(62,168.25)
School Sponsored Athletics Instruction	97,578.65				(97,578.65)		(97,578.65)
Community Service Programs	625,826.07				(625,826.07)		(625,826.07)
Support Services and Undistributed Costs:							
Student and Instruction Related Services	3,113,498.53	\$ 85,937.97	1,847,643.50	\$ 568,579.02	(611,338.04)		(611,338.04)
School Administrative Services	783,384.36				(783,384.36)		(783,384.36)
General and Other Administrative Services	2,297,773.91				(2,297,773.91)		(2,297,773.91)
Plant Operations and Maintenance	2,177,969.00		205,408.00		(1,972,561.00)		(1,972,561.00)
Pupil Transportation	725,859.99				(725,859.99)		(725,859.99)
Unallocated Benefits	7,170,653.12		5,447,596.89		(1,723,056.23)		(1,723,056.23)
Interest on Long-Term Debt	1,211,973.41				(1,211,973.41)		(1,211,973.41)
Total Governmental Activities	28,725,189.34	85,937.97	10,061,454.91	568,579.02	(18,009,217.44)		(18,009,217.44)
Business-Type Activities:							
Food Service	1,688,521.52	229,723.68	1,600,441.88			\$ 141,644.04	141,644.04
Total Business-Type Activities	1,688,521.52	229,723.68	1,600,441.88			141,644.04	141,644.04
Total Government	\$ 30,413,710.86	\$ 315,661.65	\$ 11,661,896.79	\$ 568,579.02	(18,009,217.44)	141,644.04	(17,867,573.40)
General Revenues:							
Charter School Aid					22,526,094.00		22,526,094.00
State and Federal Aid - Not Restricted					123,623.56		123,623.56
Investment Earnings					20,005.88	224.13	20,230.01
Restricted Investment Earnings					273.71		273.71
Lease Interest Revenue					72,362.42		72,362.42
Lease Revenue					72,601.20		72,601.20
Miscellaneous Income					1,463,229.07		1,463,229.07
Loss on Disposal of Capital Assets						(616.00)	(616.00)
Total General Revenues					24,278,189.84	(391.87)	24,277,797.97
Change in Net Position					6,268,972.40	141,252.17	6,410,224.57
Net Position -- July 1					4,575,863.91	507,017.21	5,082,881.12
Prior Period Adjustment (Note 17)					482,520.72		482,520.72
Net Position -- July 1 (Restated)					5,058,384.63	507,017.21	5,565,401.84
Net Position -- June 30					\$ 11,327,357.03	\$ 648,269.38	\$ 11,975,626.41

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 5,638,067.50	\$ 71,124.38		\$ 5,709,191.88
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	74,360.78			74,360.78
Deposits Held for Long-Term Reserves	75,000.00			75,000.00
Prepaid Expense	2,311.93			2,311.93
Due from Other Funds:				
Special Revenue Fund	1,733,932.42			1,733,932.42
Capital Project Fund	163,127.97			163,127.97
Food Service Enterprise Fund	162,047.42			162,047.42
Intergovernmental Accounts Receivable:				
Federal	1,954.56	2,272,204.90		2,274,159.46
State	27,194.18			27,194.18
Other LEAs - State Aid	259,395.00			259,395.00
Accounts Receivable - Other	178,652.87	9,986.52		188,639.39
Total Assets	\$ 11,316,044.63	\$ 2,353,315.80	\$ 1,000,000.00	\$ 14,669,360.43
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 286,009.00	\$ 388,859.00	\$ 6,500.00	\$ 681,368.00
Payroll Deductions and Withholdings	176,161.21			176,161.21
Payable to Other Funds:				
General Fund		1,733,932.42	163,127.97	1,897,060.39
Intergovernmental Accounts Payable:				
Other LEAs - State Aid	123,779.00			123,779.00
Unearned Revenue		9,400.00		9,400.00
Total Liabilities	585,949.21	2,132,191.42	169,627.97	2,887,768.60
Fund Balances:				
Nonspendable - Prepaid Expense	2,311.93			2,311.93
Restricted:				
Debt Service Reserve	74,360.78			74,360.78
Charter School Escrow Reserve	75,000.00			75,000.00
Other Restricted Reserves	3,000,000.00			3,000,000.00
Special Revenue Fund		150,000.00		150,000.00
Capital Projects			830,372.03	830,372.03
Student Activity/ Parent Unit Fund		71,124.38		71,124.38
Committed - Future Capital Outlays	2,000,000.00			2,000,000.00
Assigned:				
Other Purposes	174,584.26			174,584.26
Unassigned:				
General Fund	5,403,838.45			5,403,838.45
Total Fund Balances	10,730,095.42	221,124.38	830,372.03	11,781,591.83
Total Liabilities and Fund Balances	\$ 11,316,044.63	\$ 2,353,315.80	\$ 1,000,000.00	

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 \$53,665,401.64, and the accumulated depreciation and amortization is \$22,129,195.36. 31,536,206.28

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.

(200,592.21)

Long-term liabilities, including bonds payable, loans payable, lease liability, financed purchases and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(25,846,305.08)

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
 Governmental Funds
 Balance Sheet
 June 30, 2022

	Total Governmental Funds
<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	\$ 1,948,177.62
Accounts Receivable	1,951,817.15
Deferred Inflows of Resources Related to Lease Revenue	(1,435,283.56)
Net Pension Liability	(5,076,313.00)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.	(477,853.00)
Deferred Outflows of Resources - Related to Pensions	2,334,334.00
Deferred Inflows of Resources - Related to Pensions	<u>(5,188,423.00)</u>
Net position of governmental activities	<u>\$ 11,327,357.03</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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources	\$ 1,398,282.70	\$ 254,104.16		\$ 1,652,386.86
State Sources	26,710,875.10	123,030.00		26,833,905.10
Federal Sources	116,244.56	5,905,893.64		6,022,138.20
Total Revenues	28,225,402.36	6,283,027.80		34,508,430.16
EXPENDITURES:				
Current:				
Regular Instruction	6,297,421.97	2,459,658.42		8,757,080.39
Special Education Instruction	424,911.07			424,911.07
Bilingual Education Instruction	164,000.47			164,000.47
School Sponsored Extra Curricular Activities Instruction	62,168.25			62,168.25
School Sponsored Athletics Instruction	107,578.65			107,578.65
Community Service Programs	620,167.45			620,167.45
Support Services and Undistributed Costs:				
Student and Instruction Related Services	1,177,665.59	1,930,237.91		3,107,903.50
School Administrative Services	752,780.07			752,780.07
General and Other Administrative Services	2,160,856.00			2,160,856.00
Plant Operations and Maintenance	3,063,786.34	205,408.00		3,269,194.34
Pupil Transportation	539,403.19			539,403.19
Employee Benefits	2,431,275.10	1,014,652.79		3,445,927.89
TPAF Pension and Social Security	4,177,402.10			4,177,402.10
Debt Service:				
Lease Liability Principal	121,688.86			121,688.86
Financed Purchases Principal	76,303.80			76,303.80
Bonds and Loan Principal	642,397.97			642,397.97
Lease Liability Interest	13,007.78			13,007.78
Interest on Financed Purchases	3,092.80			3,092.80
Bond and Loan Interest	277,825.87			277,825.87
Capital Outlay	305,655.07	568,579.02	\$ 88,421.94	962,656.03
Total Expenditures	23,419,388.40	6,178,536.14	88,421.94	29,686,346.48
Excess (Deficiency) of Revenues over Expenditures	4,806,013.96	104,491.66	(88,421.94)	4,822,083.68
OTHER FINANCING SOURCES (USES):				
Assets Acquired by Lease and Other Debt	1,219.69			1,219.69
Total Other Financing Sources and Uses	1,219.69			1,219.69
Net Change in Fund Balances	4,807,233.65	104,491.66	(88,421.94)	4,823,303.37
Fund Balance -- July 1	5,922,861.77	116,632.72	918,793.97	6,958,288.46
Fund Balance -- June 30	<u>\$ 10,730,095.42</u>	<u>\$ 221,124.38</u>	<u>\$ 830,372.03</u>	<u>\$ 11,781,591.83</u>

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, 2022

Total Net Change in Fund Balances - Governmental Funds		\$ 4,823,303.37
<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 and amortization expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation and Amortization Expense	\$ (1,780,265.76)	
Capital Outlays (B-2)	<u>962,656.03</u>	(817,609.73)
<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>		
		840,390.63
<p>The issuance of long-term debt (e.g., bonds, loans, financed purchases and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		(1,219.69)
<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>		
		(928,096.19)
<p>The adoption of GASBS 61 requires the reporting of the Charter School's component units, as a blended component unit on the statement of activities. Revenue and expenditure activity is not reported in the governmental funds.</p>		
		153,170.39
<p>In accordance with GASBS 61, which requires the blended reporting of the Charter School's component units, all revenue and expenditure transactions between the Charter School and the component units would be eliminated.</p>		
		1,498,934.11
<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>		
		(8,740.49)
<p>Governmental funds report Charter School 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 Charter School's pension contributions in the current period.</p>		
		<u>708,840.00</u>
Change in Net Position of Governmental Activities		<u>\$ 6,268,972.40</u>

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, 2022

	Business-Type Activities <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash	\$ 420,703.79
Accounts Receivable	60,674.60
Intergovernmental Accounts Receivable:	
State	1,746.78
Federal	149,047.55
Inventories	<u>4,104.60</u>
Total Current Assets	<u>636,277.32</u>
Noncurrent Assets:	
Equipment	588,806.22
Less Accumulated Depreciation	<u>(387,007.69)</u>
Total Noncurrent Assets	<u>201,798.53</u>
Total Assets	<u>838,075.85</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	27,759.05
Interfund Accounts Payable:	
Due to General Fund	<u>162,047.42</u>
Total Current Liabilities	<u>189,806.47</u>
NET POSITION:	
Net Investment in Capital Assets	201,798.53
Unrestricted	<u>446,470.85</u>
Total Net Position	<u><u>\$ 648,269.38</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, 2022

	<u>Business-Type Activities Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 12,553.20
Special Functions	1,440.00
Rutgers - ELRA Contract	212,321.75
Miscellaneous Revenue	<u>3,408.73</u>
Total Operating Revenues	<u>229,723.68</u>
OPERATING EXPENSES:	
Salaries	728,177.78
Employee Benefits	122,769.93
Purchased Professional and Technical Services	5,330.32
Other Purchased Services	65,032.70
Cleaning, Repair and Maintenance Services	12,613.04
General Supplies	82,849.09
Depreciation	31,735.94
Cost of Sales - Reimbursable Programs	565,418.00
Cost of Sales - Nonreimbursable Programs	<u>74,594.72</u>
Total Operating Expenses	<u>1,688,521.52</u>
Operating Income (Loss)	<u>(1,458,797.84)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program - Seamless Summer Option	23,250.60
Federal Sources:	
National School Lunch Program - Seamless Summer Option	987,525.76
After School Snack Program	13,660.00
Supply Chain Assistance Funding	34,924.77
National School Breakfast Program - Seamless Summer Option	449,723.82
Food Distribution Program	88,221.93
P-EBT Administrative Cost Reimbursement	3,135.00
Interest and Investment Revenue	224.13
Loss on Disposal of Capital Assets	<u>(616.00)</u>
Total Nonoperating Revenues (Expenses)	<u>1,600,050.01</u>
Change in Net Position	141,252.17
Net Position -- July 1	<u>507,017.21</u>
Net Position -- June 30	<u>\$ 648,269.38</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, 2022

	Business-Type Activities Enterprise Fund
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 334,019.55
Payments to Employees	(728,177.78)
Payments for Employee Benefits	(122,769.93)
Payments to Suppliers	(689,501.54)
Net Cash Provided by (used for) Operating Activities	(1,206,429.70)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	29,517.73
Federal Sources	1,624,073.02
Net Cash Provided by (used for) Non-Capital Financing Activities	1,653,590.75
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	(64,771.59)
Net Cash Provided by (used for) Capital and Related Financing Activities	(64,771.59)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	224.13
Net Cash Provided by (used for) Investing Activities	224.13
Net Increase (Decrease) in Cash and Cash Equivalents	382,613.59
Balance -- July 1	38,090.20
Balance -- June 30	\$ 420,703.79
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,458,797.84)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	31,735.94
Food Distribution Program	88,221.93
(Increase) Decrease in Accounts Receivable, net	104,295.87
(Increase) Decrease in Inventories	955.35
Increase (Decrease) in Accounts Payable	27,159.05
Total Adjustments	252,368.14
Net Cash Provided by (used for) Operating Activities	\$ (1,206,429.70)

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, 2022

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, 2022, of 1,567.

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.

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.

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.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the Charter School's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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, 2022.

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. As a result of a payment made in June for July 2022, the Charter School does have a prepaid expense for its contract with Waste Management at June 20, 2022 of \$2,311.93.

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

Capital Assets

Capital assets represent the cumulative amount of capital assets used 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. Intangible right to use assets (lease assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. 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 are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Amortization on lease assets and depreciation on other capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	10-50 Years	N/A
Lease Assets - Equipment	3-5 Years	N/A
Equipment	5-20 Years	12 Years
Lease Assets - Vehicles	5 Years	N/A
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 and the balance sheet for governmental funds 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: leases, and defined benefit pension plans.

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

Accrued Salaries and Wages

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2022, the amounts earned by these employees were disbursed to the employees' own individual accounts.

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.

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.

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

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.

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

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.

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, 2022:

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.

Because of the implementation of GASB Statement No. 87, the School District has determined that lease agreements in the prior fiscal year formerly reported and / or disclosed have now been reported and disclosed in accordance with the Statement (notes 3, 5 and 6).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****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, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Charter School in the fiscal year ending June 30, 2025. 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, 2022, the Charter School's bank balances of \$12,883,112.85 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 11,702,054.19
Uninsured and Uncollateralized	<u>1,181,058.66</u>
Total	<u><u>\$ 12,883,112.85</u></u>

Note 3: RECEIVABLES

Accounts Receivable - Consisted of accounts (fees for services), intergovernmental awards / grants and leases receivable. 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 and blended component units in the aggregate, are as follows:

	Governmental Funds			Total Governmental Activities
	Blended Component Units	General Fund	Special Revenue Fund	
Federal Awards		\$ 1,954.56	\$ 2,272,204.90	\$ 2,274,159.46
State Awards		27,194.18		27,194.18
Local - LEA		259,395.00		259,395.00
Other		177,466.10	9,986.52	187,452.62
Accounts Receivable		466,009.84	2,282,191.42	2,748,201.26
Leases Receivable	\$ 1,953,003.92			1,953,003.92
Total Receivables	\$ 1,953,003.92	\$ 466,009.84	\$ 2,282,191.42	\$ 4,701,205.18
	Proprietary Fund			
	Food Service Fund	Total Business- Type Activities	Total	Collectible Within One Year
Federal Awards	\$ 149,047.55	\$ 149,047.55	\$ 2,423,207.01	\$ 2,423,207.01
State Awards	1,746.78	1,746.78	28,940.96	28,940.96
Local - LEA			259,395.00	259,395.00
Other	60,674.60	60,674.60	248,127.22	248,127.22
Accounts Receivable	211,468.93	211,468.93	2,959,670.19	2,959,670.19
Leases Receivable			1,953,003.92	42,890.03
Total Receivables	\$ 211,468.93	\$ 211,468.93	\$ 4,912,674.11	\$ 3,002,560.22

Leases Receivable - The Charter School is reporting Leases Receivable of \$1,953,003.92 at June 30, 2022. For the fiscal year ended June 30, 2022, the Charter School reported lease revenue of \$72,601.20 and lease interest revenue of \$72,362.42 related to lease payments received. These leases are summarized as follows:

	Leases Receivable	Lease Revenue	Lease Interest Revenue
Premises for Cell Towers	\$ 1,953,003.92	\$ 72,601.20	\$ 72,362.42

Note 3: ACCOUNTS RECEIVABLE (CONT'D)**Leases Receivable (Cont'd)****Premises for Cell Towers**

On August 28, 2009, LEAP Cramer Hill, LLC, a component unit of LEAP Academy University Charter School, Inc. entered into a lease agreement with Clear Wireless LLC (Now part of T-Mobile Northeast LLC) to provide rooftop space on its building located at 130 North Broadway, Camden, New Jersey. The initial five-year term was for \$2,150.00 monthly at an annual increase of 3%. The agreement included five (5) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 180 days prior. The initial and extensions period will end with the monthly payment on August 1, 2040. Subsequent to the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

On June 11 2010, LEAP Cramer Hill, LLC, a component unit of LEAP Academy University Charter School, Inc. entered into a lease agreement with Cellco Partnership, d/b/a Verizon Wireless to provide rooftop space on its building located at 130 North Broadway, Camden, New Jersey. The initial five-year term was for \$27,000.00 annually paid in equal monthly installments on the first of each month. The agreement included four(4) five-year automatic extensions at 3% annual increase unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least six month prior. The initial and extensions period will end with the monthly payment on June 1, 2040. Subsequent to the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

On May 23, 2017, the LEAP Cramer Hill, LLC, a component unit of LEAP Academy University Charter School, Inc. entered into a lease agreement with T-Mobile Northeast LLC to provide rooftop space on its building located at 130 North Broadway, Camden, New Jersey. The initial five-year term was for \$2,500.00 monthly on the fifth day of each month. The agreement included five (5) five-year automatic renewal terms at a 10% increase for each term unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least sixty days prior. The initial and extensions period will end with the monthly payment on June 5, 2047. Subsequent to the final extension period, the agreement can continue at an annual increase of 3% but subject to the termination by either party.

Note 4: INVENTORY

Inventory recorded at June 30, 2022, 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	\$ 1,174.38
Food	<u>2,930.22</u>
	<u>\$ 4,104.60</u>

Note 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

	(Restated) Balance July 1, 2021	Additions	Retirements/ Transfers	Balance June 30, 2022
Government Activities:				
Capital Assets, not being Depreciated and Amortized:				
Land	\$ 2,183,511.00			\$ 2,183,511.00
Construction in Progress	92,926.03	\$ 88,421.94		181,347.97
Total Capital Assets, not being Depreciated and Amortized	2,276,437.03	88,421.94		2,364,858.97
Capital Assets being Depreciated and Amortized:				
Building and Improvements	42,238,081.37	315,878.34		42,553,959.71
Lease Assets - Equipment	207,990.31	1,219.69		209,210.00
Equipment	6,411,908.72	557,136.06		6,969,044.78
Lease Assets - Vehicles	408,903.50			408,903.50
Vehicles	1,159,424.68			1,159,424.68
Total Capital Assets, being Depreciated and Amortized	50,426,308.58	874,234.09		51,300,542.67
Total Capital Assets, Cost	52,702,745.61	962,656.03		53,665,401.64
Less Accumulated Depreciation and Amortization for:				
Building and Improvements	(14,786,927.00)	(1,216,051.00)		(16,002,978.00)
Lease Assets - Equipment	(41,598.12)	(41,869.16)		(83,467.28)
Equipment	(5,070,454.00)	(354,713.00)		(5,425,167.00)
Lease Assets - Vehicles	(155,373.48)	(81,780.60)		(237,154.08)
Vehicles	(294,577.00)	(85,852.00)		(380,429.00)
Total Accumulated Depreciation and Amortization	(20,348,929.60)	(1,780,265.76)		(22,129,195.36)
Total Capital Assets, being Depreciated and Amortized, Net	30,077,378.98	(906,031.67)		29,171,347.31
Government Activities Capital Assets, net	\$ 32,353,816.01	\$ (817,609.73)	\$ -	\$ 31,536,206.28
	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Business-Type Activities:				
Capital Assets being Depreciated:				
Equipment	\$ 536,343.63	\$ 64,771.59	\$ 12,309.00	\$ 588,806.22
Less Accumulated Depreciation for:				
Equipment	(366,964.75)	\$ (31,735.94)	(11,693.00)	(387,007.69)
Business-Type Activities Capital Assets, net	\$ 169,378.88	\$ 33,035.65	\$ 616.00	\$ 201,798.53

Note 5: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction	\$ 1,113,376.88
Community Service Programs	1,407.00
Student and Instruction Related Services	3,959.00
School Administrative Services	25,366.50
General and Other Administrative Services	106,781.61
Plant Operations and Maintenance	351,066.17
Transportation	178,308.60
	<u>1,780,265.76</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 1,780,265.76</u>

Business-Type Activities:

Food Service Operations	<u>\$ 31,735.94</u>
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Note 6: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
LEAP Academy University Charter School, Inc.					
Bonds Payable:					
General Obligation Bonds	\$ 3,543,741.74		\$ (455,294.95)	\$ 3,088,446.79	\$ 465,605.90
Total Bonds Payable	<u>3,543,741.74</u>		<u>(455,294.95)</u>	<u>3,088,446.79</u>	<u>465,605.90</u>
Other Liabilities:					
Loans Payable	5,220,992.76		(187,103.02)	5,033,889.74	194,636.96
Lease Liability	429,971.44	\$ 1,219.69	(121,688.86)	309,502.27	126,205.52
Financed Purchases	97,109.16		(76,303.79)	20,805.37	20,805.37
Compensated Absences	149,518.67	41,144.46	(32,403.97)	158,259.16	35,704.26
Net Pension Liability	8,676,465.00	5,562,521.00	(9,162,673.00)	5,076,313.00	
Total Other Liabilities	<u>14,574,057.03</u>	<u>5,604,885.15</u>	<u>(9,580,172.64)</u>	<u>10,598,769.54</u>	<u>377,352.11</u>
Total Charter School	<u>18,117,798.77</u>	<u>5,604,885.15</u>	<u>(10,035,467.59)</u>	<u>13,687,216.33</u>	<u>842,958.01</u>

Note 6: LONG-TERM LIABILITIES (CONT'D)

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities (Cont'd):					
LEAP Cramer Hill, LLC (Component Unit):					
Bonds Payable:					
Charter School Revenue Bonds:					
Series 2014A Tax Exempt	\$ 9,500,000.00			\$ 9,500,000.00	
Series 2014B Taxable	380,000.00		\$ (125,000.00)	255,000.00	\$ 140,000.00
Add Amount:					
Issuance Premium	6,622.63		(228.37)	6,394.26	
Total Bonds Payable	<u>9,886,622.63</u>		<u>(125,228.37)</u>	<u>9,761,394.26</u>	<u>140,000.00</u>
Other Liabilities:					
Financed Purchase	100,629.00		(80,031.93)	20,597.07	20,597.07
Total Other Liabilities	<u>100,629.00</u>		<u>(80,031.93)</u>	<u>20,597.07</u>	<u>20,597.07</u>
Total LEAP Cramer Hill, LLC.	<u>9,987,251.63</u>		<u>(205,260.30)</u>	<u>9,781,991.33</u>	<u>160,597.07</u>
LEAP STEM, LLC (Component Unit):					
Bonds Payable:					
Series 2018 Tax Exempt	7,043,261.59		(197,215.92)	6,846,045.67	205,343.69
Total Bonds Payable	<u>7,043,261.59</u>		<u>(197,215.92)</u>	<u>6,846,045.67</u>	<u>205,343.69</u>
Total LEAP STEM, LLC.	<u>7,043,261.59</u>		<u>(197,215.92)</u>	<u>6,846,045.67</u>	<u>205,343.69</u>
LEAP Student Transportation, LLC (Component Unit):					
Other Liabilities:					
Financed Purchase	\$ 714,438.48		(107,073.73)	607,364.75	112,551.84
Total Bonds Payable	<u>714,438.48</u>		<u>(107,073.73)</u>	<u>607,364.75</u>	<u>112,551.84</u>
Total LEAP Student Transportation, LLC.	<u>714,438.48</u>	-	<u>(107,073.73)</u>	<u>607,364.75</u>	<u>112,551.84</u>
Governmental Activities Long-term Liabilities	<u>\$ 35,862,750.47</u>	<u>\$ 5,604,885.15</u>	<u>\$ (10,545,017.54)</u>	<u>\$ 30,922,618.08</u>	<u>\$ 1,321,450.61</u>

The bonds payable, loans payable, financed purchases, lease liability, 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.

Note 6: LONG-TERM LIABILITIES (CONT'D)**Bonds Payable (Cont'd)**

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.

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:

Fiscal Year Ending June 30,	LEAP Academy University Charter School, Inc.		
	Principal	Interest	Total
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	509,207.71	20,821.02	530,028.73
2028-2029	652,632.30	9,715.89	662,348.19
	<u>3,088,446.79</u>	<u>224,045.07</u>	<u>3,312,491.86</u>
	LEAP Cramer Hill, LLC (Component Unit)		
	Principal	Interest	Total
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	180,000.00	559,680.00	739,680.00
2028-2032	1,065,000.00	2,619,150.00	3,684,150.00
2033-2037	1,415,000.00	2,248,930.00	3,663,930.00
2038-2042	1,915,000.00	1,738,325.00	3,653,325.00
2043-2047	2,585,000.00	1,045,290.00	3,630,290.00
2048-2050	1,970,000.00	190,890.00	2,160,890.00
	<u>9,755,000.00</u>	<u>10,741,516.26</u>	<u>20,496,516.26</u>

(Continued)

Note 6: LONG-TERM LIABILITIES (CONT'D)**Bonds Payable (Cont'd)**

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

	LEAP STEM, LLC (Component Unit)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	239,771.93	237,541.03	477,312.96
2028-2032	1,354,249.07	1,032,315.73	2,386,564.80
2033-2037	1,658,142.24	728,422.56	2,386,564.80
2038-2042	2,029,340.30	357,224.50	2,386,564.80
2043-2044	697,348.64	24,368.62	721,717.26
	<u>6,846,045.67</u>	<u>3,421,930.79</u>	<u>10,267,976.46</u>
Totals	<u>\$ 19,689,492.46</u>	<u>\$ 14,387,492.12</u>	<u>\$ 34,076,984.58</u>

Bonds Authorized but not Issued - As of June 30, 2022, the Charter School had no authorizations to issue additional bonded debt.

Lease Liability - The Charter School's payments on lease liabilities are budgeted and paid from the general fund on an annual basis.

Lease agreements are summarized as follows:

<u>Description</u>	<u>Payment Amount</u>	<u>Total Lease Liability</u>	(Restated)	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>	<u>Due within One Year</u>
			<u>Balance July 1, 2021</u>				
Bus	\$ 1,500.00	\$81,739.45	\$ 37,302.44		\$ 16,816.96	\$ 20,485.48	\$ 17,500.38
Buses	5,991.00	327,164.05	224,375.78		64,282.32	160,093.46	66,834.62
Copiers	3,710.00	207,990.31	168,293.22		40,325.09	127,968.13	41,468.78
Postage Machine	35.28	1,219.69		\$ 1,219.69	264.49	955.20	401.74
			<u>\$429,971.44</u>	<u>\$ 1,219.69</u>	<u>\$ 121,688.86</u>	<u>\$ 309,502.27</u>	<u>\$ 126,205.52</u>

The Charter School leased a bus for the transportation department, beginning on September 18, 2018 for a term of five years at a fixed interest rate of 3.99%. The implied interest rate is based on the Charter School's estimated incremental borrowing rate at the time the lease was established. When the lease concludes on August 18, 2023, the Charter School could exercise the option to purchase the bus for \$50,000.00.

The Charter School leased three buses for the transportation department, beginning on November 19, 2019 for a term of five years at a fixed interest rate of 3.90%. The implied interest rate is based on the Charter School's estimated incremental borrowing rate at the time the lease was established. When the lease concludes on October 19 2024, the Charter School could exercise the option to purchase the buses for \$20,000.00 each.

Note 6: LONG-TERM LIABILITIES (CONT'D)**Lease Liability (Cont'd) -**

The Charter School leased copiers beginning on July 1, 2020 for a term of five years at a fixed interest rate of 2.80%. The implied interest rate is based on the Charter School's estimated incremental borrowing rate at the time the lease was established. When the lease concludes on June 30, 2025, the Charter School can purchase the copiers at fair market value, return the equipment or agree to extend the lease for one more year.

The Charter School leased a postage machine beginning on November 1, 2021 for a term of three years at a fixed interest rate of 2.80%. The implied interest rate is based on the Charter School's estimated incremental borrowing rate at the time the lease was established. The lease concludes on October 1, 2024.

Principal and interest due on lease liability outstanding is as follows:

Fiscal Year			
Ending June	Principal	Interest	Total
2023	\$ 126,205.52	\$ 8,632.24	\$ 134,837.76
2024	115,531.47	4,306.29	119,837.76
2025	<u>67,765.28</u>	<u>862.24</u>	<u>68,627.52</u>
Total	<u>\$ 309,502.27</u>	<u>\$ 13,800.77</u>	<u>\$ 323,303.04</u>

Financed Purchases - The Charter School's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

The Charter School has financed the purchase of furniture totaling \$365,708.00 at an interest rate of 5.5% for a term of five years ending on October 1, 2022.

LEAP Cramer Hill, LLC, a component unit of LEAP Academy University Charter School, Inc. has financed the purchase of computer equipment totaling \$369,696.00 at an interest rate of 4.5% for a term of five years ending on October 5, 2022.

LEAP Student Transportation, LLC, a component unit of LEAP Academy University Charter School, Inc. has financed the purchase of seven school buses totaling \$791,309.68 at an interest rate of 2.8% for a term of five years ending on September 15, 2024.

Financed purchases are depreciated in a manner consistent with the Charter School's depreciation policy for owned assets.

Note 6: LONG-TERM LIABILITIES (CONT'D)

Financed Purchases Cont'd -The following is a schedule of the future minimum lease payments under these financed purchases, and the present value of the net minimum lease payments at June 30, 2022:

Fiscal Year Ending June 30,	LEAP Academy University Charter School, Inc.		
	Principal	Interest	Total
2023	\$ 20,805.38	\$ 214.61	\$ 21,019.99
	20,805.38	214.61	21,019.99
	LEAP Cramer Hill, LLC (Component Unit)		
	Principal	Interest	Total
2023	20,597.07	79.81	20,676.88
	20,597.07	79.81	20,676.88
	LEAP Student Transportation, LLC (Component Unit)		
	Principal	Interest	Total
2023	112,551.84	27,812.16	140,364.00
2024	118,310.19	22,053.81	140,364.00
2025	376,502.71	22,588.29	399,091.00
	607,364.74	72,454.26	679,819.00
Totals	\$ 648,767.19	\$ 72,748.68	\$ 721,515.87

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:

Fiscal Year Ending June 30,	Principal	Interest	Total
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
	\$ 5,033,889.74	\$ 577,769.46	\$ 5,611,659.20

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the Charter School's policy.

Net Pension Liability - For details on the net pension liability, refer to note 7. 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 7: 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 Empower (formerly Prudential Financial).

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.

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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. 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.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****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. 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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th 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 1/60th 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.

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

Service retirement benefits of 1/55th 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 1/60th 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.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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 2021. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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, 2022 was 25.33% 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, 2022 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, 2021, the State's contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2022 was \$1,888,017.00, and was paid by April 1, 2022. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$610,221.67.

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 2021. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2021. 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, 2022 was 16.32% 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.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Based on the most recent PERS measurement date of June 30, 2021, the Charter School's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$501,832.00, and was paid by April 1, 2022. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$232,251.05.

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.

For the fiscal year ended June 30, 2022, employee contributions totaled \$11,695.47, and the Charter School recognized pension expense, which equaled the required contributions, of \$6,332.39. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2022, 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	\$ 30,973,007.00
	<u>\$ 30,973,007.00</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 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, 2021 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 0.0644261779%, which was a decrease of (.0052997536%) from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the Charter School, calculated by the Plan as of June 30, 2021 measurement date, was \$728,808.00. This on-behalf expense has been recognized by the Charter School in the government-wide financial statements.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2022, the Charter School reported a liability of \$5,076,313.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. 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, 2021 measurement date, the Charter School's proportion was 0.0428507427%, which was a decrease of (0.0103550009%) from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the Charter School recognized pension (benefit) expense of (\$207,008.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2022, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 80,060.00	\$ 36,340.00
Changes of Assumptions	26,437.00	1,807,200.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments		1,337,234.00
Changes in Proportion and Differences between Charter School Contributions and Proportionate Share of Contributions	1,749,984.00	2,007,649.00
Charter School Contributions Subsequent to the Measurement Date	<u>477,853.00</u>	
	<u>\$ 2,334,334.00</u>	<u>\$ 5,188,423.00</u>

Deferred outflows of resources in the amount of \$477,853.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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:

Fiscal Year	
<u>Ending June 30,</u>	
2023	\$ (771,406.00)
2024	(2,870,892.00)
2025	1,255,573.00
2026	(888,157.00)
2027	(57,060.00)
	<u>\$ (3,331,942.00)</u>

The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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	-
June 30, 2021	-	5.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	5.13

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2020. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. 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: ⁽¹⁾		
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

⁽¹⁾ 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-2021.

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-2021.

Note 7: 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, 2021 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, 2021 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%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of the June 30, 2021 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 100% 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 projected benefit payments in determining the total pension liability.

Note 7: 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, 2021. 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 2.16% as of the June 30, 2021 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 and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - 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, 2021, 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, 2021 (Plan's measurement date), attributable to the Charter School, calculated using the discount rate of 7.00% 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:

	TPAF		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
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	\$ 36,646,241.00	\$ 30,973,007.00	\$ 26,207,847.00
	<u>\$ 36,646,241.00</u>	<u>\$ 30,973,007.00</u>	<u>\$ 26,207,847.00</u>

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2021, 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:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's Proportionate Share of the Net Pension Liability	<u>\$ 6,912,909.00</u>	<u>\$ 5,076,313.00</u>	<u>\$ 3,517,701.00</u>

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 8: 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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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.

Employees Covered by Benefit Terms - At June 30, 2021, 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	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,328</u>

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, 2022 was \$18,419,380.00. 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, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the Charter School was .0306950526%, which was an increase of .0006467334% from its proportion measured as of June 30, 2020.

Note 8: 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 - 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, 2020, which was rolled forward to June 30, 2021, 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 - 5.65%	3.00 - 7.00%	Not Applicable

* based on service years

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 "General" classification and PUB-2010 Health "Teachers" classification headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled mortality was based on the PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, 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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2021 measurement date was 2.16%. 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.

Note 8: 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**

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, 2021		\$ 20,375,754.00
Changes for the Year:		
Service Cost	\$ 2,978,791.00	
Interest Cost	477,818.00	
Changes in Benefit Terms	(19,605.00)	
Difference between Expected and Actual Experience	(5,047,378.00)	
Changes in Assumptions	18,172.00	
Member Contributions	12,215.00	
Gross Benefit Payments	<u>(376,387.00)</u>	
Net Changes		<u>(1,956,374.00)</u>
Balance at June 30, 2022		<u>\$ 18,419,380.00</u>

Benefit changes: the change in liability for the measurement period from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2020 to June 30, 2021 due to changes in the census.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2020 to June 30, 2021 is due to the combined effect of the decrease in the assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021; and changes in the trend, salary scale, and updated mortality projection scale.

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, 2021, associated with the Charter School, using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School	<u>\$ 22,063,526.00</u>	<u>\$ 18,419,380.00</u>	<u>\$ 15,549,834.00</u>

Note 8: 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)****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, 2021, 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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School	\$ 14,910,548.00	\$ 18,419,380.00	\$ 23,131,482.00

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, 2022, the Charter School recognized \$3,130,664.00 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, 2021 measurement date.

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, 2022, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 2,776,640.00	\$ 5,527,983.00
Changes of Assumptions	3,124,614.00	1,976,228.00
Changes in Proportion	<u>2,909,538.00</u>	<u>1,440,055.00</u>
	<u>\$ 8,810,792.00</u>	<u>\$ 8,944,266.00</u>

Note 8: 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 (Cont'd)**

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:

Fiscal Year Ending June 30,	
2023	\$ (186,942.00)
2024	(186,942.00)
2025	(186,942.00)
2026	(186,942.00)
2027	(119,393.00)
Thereafter	<u>733,687.00</u>
	<u>\$ (133,474.00)</u>

Note 9: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, 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 \$2,880,735.00, \$40,643.00, \$682,552.00, and \$2,761.00, respectively.

Note 10: 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, 2022, which can be obtained from:

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

Note 11: 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 12: 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, 2022, the liability for compensated absences reported on the government-wide statement of net position was \$158,259.16.

Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2022, is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 2,059,107.81	
Special Revenue Fund		\$ 1,733,932.42
Capital Projects Fund		163,127.97
Proprietary Fund		162,047.42
	<u>\$ 2,059,107.81</u>	<u>\$ 2,059,107.81</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2023, the Charter School expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 14: 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 15: 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 16: FUND BALANCES**NONSPENDABLE**

As stated in note 1, 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 nonspendable fund balances of the Charter School, as of June 30, 2022, are summarized as follows:

General Fund - The Charter School has recorded a prepaid expense for a payment made in June for an expense for the fiscal year-ended June 30, 2023. As a result, because the prepaid expense is recorded as an asset, even though it does not represent expendable financial resources, it is necessary to set aside fund balance at fiscal year-end. As of June 30, 2022, the nonspendable fund balance was \$2,311.93

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 Debt Service - In accordance with the Charter School's debt service agreements, amounts have been restricted for future debt service of \$74,360.78.

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, 2022, the balance of the escrow is \$75,000.00.

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, 2022, the Other Restricted Reserves for this purpose are \$3,000,000.00.

Note 16: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****Special Revenue Fund**

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, 2022 in the amount of \$150,000.00.

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, 2022, is \$71,124.38.

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, 2022, the restricted fund balance amount was \$830,372.03.

COMMITTED

As stated in note 1, 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 is the Board of Trustees. Specific commitments of the Charter School's fund balance are summarized as follows:

General Fund – At June 30, 2022, the Board of Trustees has committed \$2,000,000.00 of general fund balance for future capital outlays.

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, 2022, the Charter School had \$174,584.26 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, 2022, \$5,403,838.45 of general fund balance was unassigned.

Note 17: RESTATEMENT OF PRIOR PERIOD NET POSITION

For the fiscal year ended June 30, 2022, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. As a result, net position as of July 1, 2021 has been restated. The following table illustrate the restatement:

	Governmental <u>Activities</u>
Beginning Net Position as Previously Reported at July 1, 2021	\$ 4,575,863.91
Prior Period Adjustment(s):	
Accounts Receivable	\$ 1,990,405.48
Deferred Inflows of Resources Related to Lease Revenue	<u>(1,507,884.76)</u>
Total Prior Period Adjustment	<u>482,520.72</u>
Net Position as Restated, July 1, 2021	<u><u>\$ 5,058,384.63</u></u>

Note 18: 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 2023.

**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, 2022

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>REVENUES</u>					
Local Sources:					
Rutgers Preschool Contract		\$ 248,532.68	\$ 248,532.68	\$ 248,533.00	\$ 0.32
Revenue from Clinic				279,247.88	279,247.88
Transportation	\$ 172,000.00		172,000.00	190,329.60	18,329.60
Miscellaneous Revenue	35,322.12		35,322.12	663,268.02	627,945.90
Restricted Interest Income				38.59	38.59
Interest and Other Revenue				16,865.61	16,865.61
	<u>207,322.12</u>	<u>248,532.68</u>	<u>455,854.80</u>	<u>1,398,282.70</u>	<u>942,427.90</u>
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
State and Local Share	21,026,014.00	397,853.00	21,423,867.00	21,418,192.00	(5,675.00)
Total - Local Levy/Equalization Aid	<u>21,026,014.00</u>	<u>397,853.00</u>	<u>21,423,867.00</u>	<u>21,418,192.00</u>	<u>(5,675.00)</u>
Categorical Aid:					
Special Education Aid	468,198.00	(47,145.00)	421,053.00	357,976.00	(63,077.00)
Security Aid	733,600.00	(52,426.00)	681,174.00	749,926.00	68,752.00
Total Categorical Aid	<u>1,201,798.00</u>	<u>(99,571.00)</u>	<u>1,102,227.00</u>	<u>1,107,902.00</u>	<u>5,675.00</u>
Total Charter School Aid	<u>22,227,812.00</u>	<u>298,282.00</u>	<u>22,526,094.00</u>	<u>22,526,094.00</u>	
Other State Sources:					
Non-Public State Aid				7,379.00	7,379.00
On-behalf Contributions:					
T.P.A.F. Post-Retirement Medical				682,552.00	682,552.00
Teacher's Pension and Annuity Fund				2,880,735.00	2,880,735.00
T.P.A.F. Non-contributory Insurance				40,643.00	40,643.00
T.P.A.F. Long-Term Disability Insurance				2,761.00	2,761.00
Reimbursed TPAF Social Security Contributions				570,711.10	570,711.10

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>REVENUES (CONT'D)</u>					
Total Other State Sources				\$ 4,184,781.10	\$ 4,184,781.10
Total - State Sources	\$ 22,227,812.00	\$ 298,282.00	\$ 22,526,094.00	26,710,875.10	4,184,781.10
Federal Sources:					
SEMI Medicaid				28,998.62	28,998.62
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				27,852.48	27,852.48
FEMA Public Assistance Grants	59,393.46		59,393.46	59,393.46	
Total - Federal Sources	59,393.46		59,393.46	116,244.56	56,851.10
Total Revenues	22,494,527.58	546,814.68	23,041,342.26	28,225,402.36	5,184,060.10
<u>EXPENDITURES</u>					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	394,449.21		394,449.21	374,720.40	19,728.81
Grades 1-5	2,368,600.28	84,551.58	2,453,151.86	2,331,814.30	121,337.56
Grades 6-8	1,321,828.06		1,321,828.06	1,047,517.31	274,310.75
Grades 9-12	2,028,230.93	(25,000.00)	2,003,230.93	1,905,384.42	97,846.51
Regular Programs - Home Instruction:					
Salaries of Teachers		18,843.75	18,843.75	18,843.75	
Purchased Professional Educational Services	10,000.00	5,487.50	15,487.50	12,060.00	3,427.50

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES					
General Current Expense (Cont'd):					
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	\$ 597,476.88	\$ (278,485.99)	\$ 318,990.89	\$ 222,851.89	\$ 96,139.00
Purchased Professional - Educational Services	605,757.50	22,000.00	627,757.50	196,288.53	431,468.97
Purchased Technical Services		60,000.00	60,000.00	56,697.54	3,302.46
Other Purchased Services	22,261.44		22,261.44	22,261.44	
General Supplies	55,540.00	230,937.88	286,477.88	85,453.19	201,024.69
Textbooks	106,602.00		106,602.00	5,174.69	101,427.31
Other Objects	51,820.00	(5,000.00)	46,820.00	18,354.51	28,465.49
Total Regular Programs - Instruction	7,562,566.30	113,334.72	7,675,901.02	6,297,421.97	1,378,479.05
Special Education Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers	514,601.64	8,346.20	522,947.84	418,180.82	104,767.02
General Supplies	5,000.00		5,000.00		5,000.00
Total Resource Room / Resource Center	519,601.64	8,346.20	527,947.84	418,180.82	109,767.02
Homebound Instruction:					
Salaries of Teachers		5,070.25	5,070.25	5,070.25	
Purchased Professional - Educational Services	15,000.00	(5,000.00)	10,000.00	1,660.00	8,340.00
Total Homebound Instruction	15,000.00	70.25	15,070.25	6,730.25	8,340.00
Total Special Education - Instruction	534,601.64	8,416.45	543,018.09	424,911.07	118,107.02
Bilingual Education - Instruction:					
Salaries of Teachers	235,296.66	(11,851.70)	223,444.96	164,000.47	59,444.49
Total Bilingual Education - Instruction	235,296.66	(11,851.70)	223,444.96	164,000.47	59,444.49

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
School - Sponsored Cocurricular Activities - Instruction:					
Salaries		\$ 2,000.00	\$ 2,000.00	\$ 1,150.00	\$ 850.00
Supplies and Materials	\$ 71,600.00		71,600.00	61,018.25	10,581.75
Total School - Sponsored Cocurricular Activities - Instruction	71,600.00	2,000.00	73,600.00	62,168.25	11,431.75
School - Sponsored Athletics - Instruction:					
Salaries			100,500.00	73,715.00	26,785.00
Purchased Services (300-500 Series)	7,898.00		7,898.00	6,386.46	1,511.54
Supplies and Materials	25,400.00	3,000.00	28,400.00	24,957.19	3,442.81
Other Objects	33,190.00		33,190.00	2,520.00	30,670.00
Total School - Sponsored Athletics - Instruction	166,988.00	3,000.00	169,988.00	107,578.65	62,409.35
Summer School - Support Services:					
Salaries of Teachers	3,888.00		3,888.00		3,888.00
Total Summer School	3,888.00		3,888.00		3,888.00
Community Service Programs					
Salaries	520,945.62	79,525.08	600,470.70	534,896.28	65,574.42
Other Purchased Services (300-500 series)	45,600.00	1,350.00	46,950.00	44,877.01	2,072.99
Supplies and Materials	66,443.64	(1,350.00)	65,093.64	36,497.48	28,596.16
Other Objects	8,780.00		8,780.00	3,896.68	4,883.32
Total Community Service Programs	641,769.26	79,525.08	721,294.34	620,167.45	101,126.89
Total Instruction	9,216,709.86	194,424.55	9,411,134.41	7,676,247.86	1,734,886.55

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 184,739.05	\$ (53,119.69)	\$ 131,619.36	\$ 64,472.90	\$ 67,146.46
Salaries of Family Liaisons/Community Parent Involvement Specialists	71,400.00	3,333.28	74,733.28	74,733.28	
Supplies and Materials	2,000.00		2,000.00	1,152.60	847.40
Total Undistributed Expenditures - Attendance and Social Work	258,139.05	(49,786.41)	208,352.64	140,358.78	67,993.86
Undistributed Expenditures - Health Services:					
Salaries	192,400.00	96,375.00	288,775.00	270,068.67	18,706.33
Purchased Professional and Technical Services	25,740.00	(20,000.00)	5,740.00	5,031.14	708.86
Supplies and Materials	14,000.00	(5,000.00)	9,000.00	5,384.59	3,615.41
Other Objects	300.00		300.00		300.00
Total Undistributed Expenditures - Health Services	232,440.00	71,375.00	303,815.00	280,484.40	23,330.60
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	59,280.00	(45,000.00)	14,280.00		14,280.00
Total Undistributed Expenditures -Speech, OT, PT and Related Services	59,280.00	(45,000.00)	14,280.00		14,280.00
Undistributed Expenditures - Other Support Services Students - Extraordinary Services					
Salaries	27,709.30		27,709.30		27,709.30
Total Undistributed Expenditures - Other Support Services Students - Extraordinary Services	27,709.30		27,709.30		27,709.30
Undistributed Expenditures - Guidance Services:					
Other Salaries	211,729.65	(48,909.00)	162,820.65	161,982.22	838.43
Purchased Professional - Educational Services	349,020.00	(86,988.00)	262,032.00	205,230.21	56,801.79
Supplies and Materials	35,000.00	(7,000.00)	28,000.00		28,000.00
Total Undistributed Expenditures - Guidance Services	595,749.65	(142,897.00)	452,852.65	367,212.43	85,640.22

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 183,600.00	\$ 65,000.00	\$ 248,600.00	\$ 175,953.62	\$ 72,646.38
Purchased Professional - Educational Services	118,938.58	61,800.00	180,738.58	81,209.09	99,529.49
Supplies and Materials	2,000.00		2,000.00	405.44	1,594.56
Total Undistributed Expenditures - Child Study Teams	304,538.58	126,800.00	431,338.58	257,568.15	173,770.43
Undistributed Expenditures - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	406,308.40	(161,429.00)	244,879.40	132,041.83	112,837.57
Total Undistributed Expenditures - Improvement of Instructional Services	406,308.40	(161,429.00)	244,879.40	132,041.83	112,837.57
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services	16,000.00		16,000.00		16,000.00
Other Purchased Services (400-500 series)	17,600.00		17,600.00		17,600.00
Total Undistributed Expenditures - Instructional Staff Training Services	33,600.00		33,600.00		33,600.00
Undistributed Expenditures - Support Services - General Administration:					
Salaries	218,000.00	(111,373.00)	106,627.00	106,626.60	0.40
Legal Services	89,350.00	(7,500.00)	81,850.00	25,384.50	56,465.50
Audit Fees	65,000.00	7,500.00	72,500.00	70,400.00	2,100.00
Other Purchased Professional Services	381,540.00	210,020.00	591,560.00	436,486.96	155,073.04
Purchased Technical Services	8,200.00	8,575.00	16,775.00	14,031.61	2,743.39
Communications / Telephone	123,500.00	(2,500.00)	121,000.00	79,187.91	41,812.09
Miscellaneous Purchased Services (400-500 series)	59,728.00		59,728.00	59,057.31	670.69
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	3,000.00	47,000.00
Miscellaneous Expenditures	38,000.00		38,000.00	20,940.69	17,059.31
Board of Trustees Membership Dues and Fees	31,370.00		31,370.00	27,915.41	3,454.59
Total Undistributed Expenditures - Support Services - General Administration	1,066,688.00	104,722.00	1,171,410.00	843,030.99	328,379.01

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals/ Program Directors	\$ 537,400.00	\$ (32,101.68)	\$ 505,298.32	\$ 402,259.74	\$ 103,038.58
Salaries of Secretarial and Clerical Assistants	77,146.03	8,077.03	85,223.06	77,068.70	8,154.36
Other Salaries	168,300.00	73,300.00	241,600.00	194,779.89	46,820.11
Supplies and Materials	106,800.00		106,800.00	78,521.74	28,278.26
Other Objects	3,075.00	1,000.00	4,075.00	150.00	3,925.00
Total Undistributed Expenditures - Support Services - School Administration	892,721.03	50,275.35	942,996.38	752,780.07	190,216.31
Undistributed Expenditures - Central Services:					
Salaries	591,224.11	48,491.82	639,715.93	632,615.91	7,100.02
Purchased Professional Services	55,350.00	3,400.00	58,750.00	49,181.09	9,568.91
Public Relations	93,500.00	78,822.50	172,322.50	125,107.22	47,215.28
Miscellaneous Purchased Services	30,850.00		30,850.00	5,754.65	25,095.35
Supplies and Materials	10,100.00		10,100.00	4,966.03	5,133.97
Interest on Current Loans	41,250.00	(41,250.00)			
Interest on Financed Purchases	3,058.23	37.73	3,095.96	3,092.80	3.16
Mortgage and Loan Interest	302,820.00	(24,994.13)	277,825.87	277,825.87	
Miscellaneous Expenditures	269,705.00	25,000.00	294,705.00	266,597.06	28,107.94
Total Undistributed Expenditures - Central Services	1,397,857.34	89,507.92	1,487,365.26	1,365,140.63	122,224.63
Undistributed Expenditures - Administration of Information Technology:					
Salaries	263,735.65	23,298.32	287,033.97	283,840.66	3,193.31
Purchased Professional Services	14,957.00	1,000.00	15,957.00	13,346.20	2,610.80
Supplies and Materials	150,183.98	(24,870.00)	125,313.98	71,112.83	54,201.15
Total Undistributed Expenditures - Administration of Information Technology	428,876.63	(571.68)	428,304.95	368,299.69	60,005.26

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	\$ 195,550.00	\$ 971,330.55	\$ 1,166,880.55	\$ 934,295.74	\$ 232,584.81
General Supplies	37,152.21	26,947.79	64,100.00	63,369.76	730.24
Total Undistributed Expenditures - Required Maintenance for School Facilities	232,702.21	998,278.34	1,230,980.55	997,665.50	233,315.05
Undistributed Expenditures - Custodial Services:					
Salaries	245,211.00	(72,037.11)	173,173.89	115,915.61	57,258.28
Salaries of Non-Instructional Aides		21,817.12	21,817.12	21,817.12	
Rental of Land and Buildings Other Than Lease Purchase Agreement	1,337,096.48		1,337,096.48	1,337,096.46	0.02
Other Purchased Property Services	75,000.00	18,000.00	93,000.00	86,591.06	6,408.94
Insurance	122,235.00	362.00	122,597.00	122,596.56	0.44
General Supplies	49,000.00	44,052.21	93,052.21	38,942.55	54,109.66
Energy - Electricity	360,000.00		360,000.00	338,843.90	21,156.10
Total Undistributed Expenditures - Custodial Services	2,188,542.48	12,194.22	2,200,736.70	2,061,803.26	138,933.44
Undistributed Expenditures - Security:					
Salaries	329,367.50	(287,728.83)	41,638.67	24,234.25	17,404.42
General Supplies	5,000.00		5,000.00	309.94	4,690.06
Total Undistributed Expenditures - Security	334,367.50	(287,728.83)	46,638.67	24,544.19	22,094.48
Total Undistributed Expenditures - Operation and Maintenance of Plant	2,755,612.19	722,743.73	3,478,355.92	3,084,012.95	394,342.97

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries	\$ 401,136.39	\$ (6,494.00)	\$ 394,642.39	\$ 347,793.96	\$ 46,848.43
Other Professional and Technical Services		8,000.00	8,000.00	7,165.11	834.89
Cleaning, Repair, & Maintenance Services	10,000.00	5,892.49	15,892.49	5,326.68	10,565.81
Contracted Services (Other than Between Home and School) - Vendors	33,700.00	(10,300.00)	23,400.00		23,400.00
Insurance	85,558.60	(362.00)	85,196.60	73,437.85	11,758.75
General Supplies	5,000.00	4,262.00	9,262.00	9,261.18	0.82
Transportation Supplies	57,000.00	24,000.00	81,000.00	80,822.14	177.86
Other Objects	27,000.00	(8,738.00)	18,262.00	15,596.27	2,665.73
Total Undistributed Expenditures - Student Transportation Services	619,394.99	16,260.49	635,655.48	539,403.19	96,252.29
Allocated Benefits - Community Service Programs:					
Workmen's Compensation	3,000.00		3,000.00	2,576.00	424.00
Total Allocated Benefits - Community Service Programs	3,000.00		3,000.00	2,576.00	424.00
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	343,775.00		343,775.00	236,901.57	106,873.43
Other Retirement Contributions - PERS	600,000.00		600,000.00	321,242.60	278,757.40
Other Retirement Contributions - DCRP	10,812.00	(500.00)	10,312.00	6,332.39	3,979.61
Unemployment Compensation	62,350.00		62,350.00	30,872.42	31,477.58
Workmen's Compensation	200,340.30		200,340.30	185,219.30	15,121.00
Health Benefits	2,214,496.00	(141,605.00)	2,072,891.00	1,645,452.32	427,438.68
Tuition Reimbursement	20,000.00	(500.00)	19,500.00	1,995.00	17,505.00
Other Employee Benefits		6,000.00	6,000.00	683.50	5,316.50
Total Unallocated Benefits - Employee Benefits	3,451,773.30	(136,605.00)	3,315,168.30	2,428,699.10	886,469.20
Total Personal Services Employee Benefits	3,454,773.30	(136,605.00)	3,318,168.30	2,431,275.10	886,893.20

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
On-behalf Contributions (Non-Budgeted):					
T.P.A.F. Post-Retirement Medical				\$ 682,552.00	\$ (682,552.00)
Teacher's Pension and Annuity Fund				2,880,735.00	(2,880,735.00)
T.P.A.F. Non-contributory Insurance				40,643.00	(40,643.00)
T.P.A.F. Long-Term Disability Insurance				2,761.00	(2,761.00)
Reimbursed TPAF Social Security Contributions				570,711.10	(570,711.10)
Total On-behalf Contributions				4,177,402.10	(4,177,402.10)
Total Undistributed Expenditures	\$ 12,533,688.46	\$ 645,395.40	\$ 13,179,083.86	14,739,010.31	(1,559,926.45)
Total General Current Expense	21,750,398.32	839,819.95	22,590,218.27	22,415,258.17	174,960.10
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Instruction		4,700.00	4,700.00	4,662.71	37.29
Undistributed Expenditures - Non-Instructional Equipment	164,000.00	111,300.00	275,300.00	188,373.94	86,926.06
Total Equipment	164,000.00	116,000.00	280,000.00	193,036.65	86,963.35
Facilities Acquisition and Construction Services:					
Architectural and Engineering Services		38,000.00	38,000.00		38,000.00
Construction Services	42,000.00	55,064.68	97,064.68	91,172.12	5,892.56
Financed Purchases Principal	76,759.41	(37.73)	76,721.68	76,303.80	417.88
Mortgage, Bonds and Loan Principal	713,832.79	(71,433.87)	642,398.92	642,397.97	0.95
Total Facilities Acquisition and Construction Services	832,592.20	21,593.08	854,185.28	809,873.89	44,311.39
Assets Acquired Under Lease (Non-Budgeted):					
Postage Machine				1,219.69	(1,219.69)
Total Assets Acquired Under Capital Lease				1,219.69	(1,219.69)

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
Capital Outlay (Cont'd):					
Total Capital Outlay	\$ 996,592.20	\$ 137,593.08	\$ 1,134,185.28	\$ 1,004,130.23	\$ 130,055.05
Total Expenditures	22,746,990.52	977,413.03	23,724,403.55	23,419,388.40	305,015.15
Excess (Deficiency) of Revenues Over (Under) Expenditures	(252,462.94)	(430,598.35)	(683,061.29)	4,806,013.96	5,489,075.25
Other Financing Sources (Uses): Assets Acquired Under Lease				1,219.69	1,219.69
Total Other Financing Sources (Uses)				1,219.69	1,219.69
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(252,462.94)	(430,598.35)	(683,061.29)	4,807,233.65	5,490,294.94
Fund Balances, July 1	5,922,861.77		5,922,861.77	5,922,861.77	
Fund Balances, June 30	\$ 5,670,398.83	\$ (430,598.35)	\$ 5,239,800.48	\$ 10,730,095.42	\$ 5,490,294.94
Recapitulation:					
Nonspendable - Prepaid Expense				\$ 2,311.93	
Restricted Fund Balance:					
Debt Service Escrow				74,360.78	
Charter School Escrow Reserve				75,000.00	
Other Restricted Reserves				3,000,000.00	
Committed Fund Balance:					
Reserve for Maintenance				2,000,000.00	
Assigned Fund Balance:					
Year-End Encumbrances				174,584.26	
Unassigned Fund Balance				5,403,838.45	
				<u>\$ 10,730,095.42</u>	

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I Grants to Local Educational Agencies	\$ 1,050,839.75	\$ 215,787.93	\$ 1,266,627.68	\$ 1,233,980.31	\$ (32,647.37)
Supporting Effective Instruction State Grants (Title II)	104,036.00	3,235.01	107,271.01	101,653.08	(5,617.93)
English Language Acquisition Grants (Title III)	20,374.00	8,024.00	28,398.00	27,935.46	(462.54)
Student Support and Academic Enrichment Program (Title IV)	72,868.00	36,024.00	108,892.00	100,919.68	(7,972.32)
Special Education Grants to States (IDEA Basic)	349,979.00	17,678.00	367,657.00	354,693.25	(12,963.75)
ARP Special Education Grants to States (ARP IDEA Basic)	88,466.00		88,466.00	9,552.21	(78,913.79)
Education Stabilization Fund:					
Elementary and Secondary School Emergency Relief (ESSER)(CARES Act)		121,714.19	121,714.19	121,714.19	
Elementary and Secondary School Emergency Relief:					
CRRSA ESSER II:					
Addressing Student Learning	3,272,131.00		3,272,131.00	2,488,433.85	(783,697.15)
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)
ARP ESSER:					
ARP-ESSER	6,796,864.00	557,039.00	7,353,903.00	1,437,173.69	(5,916,729.31)
Accelerated Learning Coach and Educator Support	181,099.00		181,099.00		(181,099.00)
Evidence Based Summer Learning and Enrichment	40,000.00		40,000.00		(40,000.00)
Evidence Based Comprehensive Beyond the School Day	40,000.00		40,000.00		(40,000.00)
NJTSS Mental Health Support Staff	45,000.00		45,000.00		(45,000.00)
ARP Homeless Children & Youth	24,857.00	(0.01)	24,856.99		(24,856.99)
Total - Federal Sources	<u>12,341,501.75</u>	<u>959,502.12</u>	<u>13,301,003.87</u>	<u>5,876,055.72</u>	<u>(7,424,948.15)</u>
State Sources:					
Securing Our Children's Future Bond Act:					
Alyssa's Law (P.L.2019, c33)					
Preschool and Charter School Security Grant	87,889.00		87,889.00		(87,889.00)
Charter School and Renaissance School Project Emergent and Capital Maintenance Fund Allocations	<u>132,430.00</u>		<u>132,430.00</u>	<u>123,030.00</u>	<u>(9,400.00)</u>
Total - State Sources	<u>220,319.00</u>		<u>220,319.00</u>	<u>123,030.00</u>	<u>(97,289.00)</u>

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES (CONT'D):					
Local Sources:					
Revenue from Local Sources	\$ 155,219.29	\$ 215,764.08	\$ 370,983.37	\$ 152,456.06	\$ (218,527.31)
Total - Local Sources	<u>155,219.29</u>	<u>215,764.08</u>	<u>370,983.37</u>	<u>152,456.06</u>	<u>(218,527.31)</u>
Total Revenue	<u>12,717,040.04</u>	<u>1,175,266.20</u>	<u>13,892,306.24</u>	<u>6,151,541.78</u>	<u>(7,740,764.46)</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	1,189,028.00	(23,287.66)	1,165,740.34	564,397.39	601,342.95
Purchased Services	359,782.00	665,602.22	1,025,384.22	877,605.38	147,778.84
Other Purchased Services (400-500 series)	44,000.00		44,000.00	9,500.00	34,500.00
Instructional Supplies	1,097,130.75	351,360.64	1,448,491.39	977,261.90	471,229.49
Other Objects	<u>6,000.00</u>		<u>6,000.00</u>	<u>6,000.00</u>	
Total Instruction	<u>2,695,940.75</u>	<u>993,675.20</u>	<u>3,689,615.95</u>	<u>2,434,764.67</u>	<u>1,254,851.28</u>
Support Services:					
Personal Services - Salaries	2,393,118.00	350,248.50	2,743,366.50	1,423,769.54	1,319,596.96
Personal Services - Employee Benefits	2,537,934.00	(382,687.80)	2,155,246.20	1,014,652.79	1,140,593.41
Purchased Professional and Technical Services	553,145.00	3,753.93	556,898.93	278,666.52	278,232.41
Other Purchased Services (400-500 series)	8,500.00	988.00	9,488.00	6,025.46	3,462.54
Supplies and Materials	405,287.00	37,952.04	443,239.04	111,389.47	331,849.57
Other Objects		22,348.34	22,348.34	22,348.34	
Scholarships Awarded		226.14	226.14	226.14	
Student Activities/ Parent Unit	<u>5,219.29</u>	<u>148,762.85</u>	<u>153,982.14</u>	<u>82,368.27</u>	<u>71,613.87</u>
Total Support Services	<u>5,903,203.29</u>	<u>181,592.00</u>	<u>6,084,795.29</u>	<u>2,939,446.53</u>	<u>3,145,348.76</u>

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ 3,985,357.00	\$ (4,171.00)	\$ 3,981,186.00	\$ 519,759.02	\$ 3,461,426.98
Noninstructional Equipment	<u>132,539.00</u>	<u>4,170.00</u>	<u>136,709.00</u>	<u>254,228.00</u>	<u>(117,519.00)</u>
Total Facilities Acquisition and Construction Services	<u>4,117,896.00</u>	<u>(1.00)</u>	<u>4,117,895.00</u>	<u>773,987.02</u>	<u>3,343,907.98</u>
Total Expenditures	<u>12,717,040.04</u>	<u>1,175,266.20</u>	<u>13,892,306.24</u>	<u>6,148,198.22</u>	<u>7,744,108.02</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	3,343.56	<u>3,343.56</u>
Fund Balance, July 1				<u>67,780.82</u>	
Fund Balance, June 30				<u>\$ 71,124.38</u>	
Recapitulation:					
Restricted:					
Student Activities/ Parent Unit				<u>\$ 71,124.38</u>	
Total Fund Balance				<u>\$ 71,124.38</u>	

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2022

 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)	\$ 28,225,402.36	\$ 6,151,541.78
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		101,148.10
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		29,837.92
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>\$ 28,225,402.36</u>	<u>\$ 6,283,027.80</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 23,419,388.40	\$ 6,148,198.22
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		29,837.92
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>\$ 23,419,388.40</u>	<u>\$ 6,178,536.14</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 Nine Plan Years

	Measurement Date Ending June 30,								
	<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>
Charter School's Proportion of the Net Pension Liability	0.0428507427%	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	\$ 5,076,313.00	\$ 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)	\$ 3,248,876.00	\$ 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	156.25%	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	70.33%	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 Nine Fiscal Years

	Fiscal Year Ended June 30,								
	<u>2022</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>
Contractually Required Contribution	\$ 477,853.00	\$ 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>(477,853.00)</u>	<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>	<u>\$ -</u>
Charter School's Covered Payroll (Fiscal Year)	\$ 2,928,799.00	\$ 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	16.32%	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 Nine Plan Years

	<u>Measurement Date 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>
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%	0.00%
State's Proportion of the Net Pension Liability Associated with the Charter School	<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>	<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>	<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	<u>\$ 30,973,007.00</u>	<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>
	<u>\$ 30,973,007.00</u>	<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)	\$ 8,837,028.00	\$ 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	350.49%	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	35.52%	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

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, 2022

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

None.

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>
2021	7.00%	2017	4.25%
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%

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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

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>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

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

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

	<u>Measurement Date Ending June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Charter School					
Changes for the Year:					
Service Cost	\$ 2,978,791.00	\$ 1,658,181.00	\$ 1,503,466.00	\$ 1,641,266.00	\$ 1,985,807.00
Interest Cost	477,818.00	440,718.00	503,304.00	618,804.00	511,885.00
Changes in Benefits Terms	(19,605.00)				
Difference Between Expected and Actual Experience	(5,047,378.00)	3,794,610.00	(2,402,933.00)	(4,747,607.00)	
Changes in Assumptions	18,172.00	3,721,950.00	165,566.00	(1,338,689.00)	(2,502,354.00)
Gross Benefit Payments	12,215.00	10,752.00	(340,868.00)	(311,935.00)	(365,800.00)
Member Contributions	(376,387.00)	(354,725.00)	10,104.00	10,781.00	13,470.00
Net Change in Total Non-Employer OPEB Liability	(1,956,374.00)	9,271,486.00	(561,361.00)	(4,127,380.00)	(356,992.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	20,375,754.00	11,104,268.00	11,665,629.00	15,793,009.00	16,150,001.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 18,419,380.00</u>	<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>\$ 9,565,654.00</u>	<u>\$ 10,157,449.00</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	192.56%	200.60%	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.
 Required Supplementary Information - Part IV
 Notes to Required Supplementary Information - Part IV
 For the Fiscal Year Ended June 30, 2022

Changes in Benefit Terms:

The actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting Chapter 44 provisions.

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>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in trend update, mortality projection scale update, and salary scale.

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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, 2022

	E.S.S.A.			I.D.E.A Part B		Total Carried Forward	
	Title I Grants to Local Educational Agencies	Supporting Effective Instruction State Grants (Title II)	English Language Acquisition Grants (Title III)	Student Support & Academic Enrichment (Title IV)	Special Education Grants to States (Basic)		Special Education Grants to States (ARP Basic)
REVENUES:							
Federal Sources	\$ 1,233,980.31	\$ 101,653.08	\$ 27,935.46	\$ 100,919.68	\$ 354,693.25	\$ 9,552.21	\$ 1,828,733.99
State Sources							
Local Sources							
Total Revenues	1,233,980.31	101,653.08	27,935.46	100,919.68	354,693.25	9,552.21	1,828,733.99
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	203,426.60				62,327.04	5,818.75	271,572.39
Purchased Services	132,098.49			86,025.00			218,123.49
Other Purchased Services (400-500 series)							
Instructional Supplies	294,548.76		12,439.00	13,499.68			320,487.44
Other Objects			6,000.00				6,000.00
Total Instruction	630,073.85		18,439.00	99,524.68	62,327.04	5,818.75	816,183.32
Support Services:							
Personal Services - Salaries	285,818.48		6,000.00		74,505.21		366,323.69
Personal Services - Employee Benefits	251,463.57		459.00		48,615.44		300,538.01
Purchased Professional and Technical Services	6,126.92	97,294.04			169,245.56		272,666.52
Other Purchased Services (400-500 series)	3,988.00		2,037.46				6,025.46
Supplies and Materials	56,509.49	1,124.04	1,000.00	1,395.00		3,733.46	63,761.99
Other Objects		3,235.00					3,235.00
Scholarships Awarded							
Student Activities/ Parent Unit							
Total Support Services	603,906.46	101,653.08	9,496.46	1,395.00	292,366.21	3,733.46	1,012,550.67
Facilities Acquisition and Construction Services:							
Equipment							
Construction Services							
Total Facilities Acquisition and Construction Services							
Total Expenditures	1,233,980.31	101,653.08	27,935.46	100,919.68	354,693.25	9,552.21	1,828,733.99
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Fund Balance, July 1							
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2022

	Total Brought Forward	Education Stabilization Fund			Charter School & Renaissance School Project Emergent Capital	Scholarship Fund	Student Activity /Parent Unit Fund	Total Carried Forward
		Elementary and Secondary School Emergency Relief						
		(ESSER) (CARES Act)	CRRSA ESSER II Addressing Student Learning	ARP ESSER				
REVENUES:								
Federal Sources	\$ 1,828,733.99	\$ 121,714.19	\$ 2,488,433.85	\$ 1,437,173.69				\$ 5,876,055.72
State Sources					\$ 123,030.00			123,030.00
Local Sources						\$ 85,937.97		85,937.97
Total Revenues	1,828,733.99	121,714.19	2,488,433.85	1,437,173.69	123,030.00		85,937.97	6,085,023.69
EXPENDITURES:								
Instruction:								
Personal Services - Salaries	271,572.39		207,025.00	85,800.00				564,397.39
Purchased Services	218,123.49		78,701.20	573,980.00				870,804.69
Other Purchased Services (400-500 series)			9,500.00					9,500.00
Instructional Supplies	320,487.44	119,715.00	378,001.42	159,058.04				977,261.90
Other Objects	6,000.00							6,000.00
Total Instruction	816,183.32	119,715.00	673,227.62	818,838.04				2,427,963.98
Support Services:								
Personal Services - Salaries	366,323.69		840,754.43	180,086.52				1,387,164.64
Personal Services - Employee Benefits	300,538.01		520,634.66	193,480.12				1,014,652.79
Purchased Professional and Technical Services	272,666.52		6,000.00					278,666.52
Other Purchased Services (400-500 series)	6,025.46							6,025.46
Supplies and Materials	63,761.99	1,999.19	2,268.12	39,361.01				107,390.31
Other Objects	3,235.00							3,235.00
Scholarships Awarded						\$ 226.14		226.14
Student Activities/ Parent Unit							82,368.27	82,368.27
Total Support Services	1,012,550.67	1,999.19	1,369,657.21	412,927.65		226.14	82,368.27	2,879,729.13
Facilities Acquisition and Construction Services:								
Equipment			445,549.02		74,210.00			519,759.02
Construction Services				205,408.00	48,820.00			254,228.00
Total Facilities Acquisition and Construction Services			445,549.02	205,408.00	123,030.00			773,987.02
Total Expenditures	1,828,733.99	121,714.19	2,488,433.85	1,437,173.69	123,030.00	226.14	82,368.27	6,081,680.13
Excess (Deficiency) of Revenues Over (Under) Expenditures						(226.14)	3,569.70	3,343.56
Fund Balance, July 1						226.14	67,554.68	67,780.82
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,124.38	\$ 71,124.38

(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, 2022

	Total Brought Forward	Open Doors	American Heart Association	NEA Grant	Library Grant	Weed Out Hunger	SHIF Health Grant	LEAP Cramer Hill LLC Donations	Total
REVENUES:									
Federal Sources	\$ 5,876,055.72								\$ 5,876,055.72
State Sources	123,030.00								123,030.00
Local Sources	85,937.97	\$ 42,905.59	\$ 947.15	\$ 500.00	\$ 2,778.51	\$ 1,220.65	\$ 3,699.75	\$ 14,466.44	152,456.06
Total Revenues	6,085,023.69	42,905.59	947.15	500.00	2,778.51	1,220.65	3,699.75	14,466.44	6,151,541.78
EXPENDITURES:									
Instruction:									
Personal Services - Salaries	564,397.39								564,397.39
Purchased Services	870,804.69	6,300.69		500.00					877,605.38
Other Purchased Services (400-500 series)	9,500.00								9,500.00
Instructional Supplies	977,261.90								977,261.90
Other Objects	6,000.00								6,000.00
	<u>2,427,963.98</u>	<u>6,300.69</u>		<u>500.00</u>					<u>2,434,764.67</u>
Support Services:									
Personal Services - Salaries	1,387,164.64	36,604.90							1,423,769.54
Personal Services - Employee Benefits	1,014,652.79								1,014,652.79
Purchased Professional and Technical Services	278,666.52								278,666.52
Other Purchased Services (400-500 series)	6,025.46								6,025.46
Supplies and Materials	107,390.31				2,778.51	1,220.65			111,389.47
Other Objects	3,235.00		947.15				3,699.75	14,466.44	22,348.34
Scholarships Awarded	226.14								226.14
Student Activities/ Parent Unit	82,368.27								82,368.27
Total Support Services	2,879,729.13	36,604.90	947.15		2,778.51	1,220.65	3,699.75	14,466.44	2,939,446.53
Facilities Acquisition and Construction Services:									
Equipment	519,759.02								519,759.02
Construction Services	254,228.00								254,228.00
Total Facilities Acquisition and Construction Services	773,987.02								773,987.02
Total Expenditures	6,081,680.13	42,905.59	947.15	500.00	2,778.51	1,220.65	3,699.75	14,466.44	6,148,198.22
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,343.56								3,343.56
Fund Balance, July 1	67,780.82								67,780.82
Fund Balance, June 30	\$ 71,124.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,124.38

CAPITAL PROJECTS FUND

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2022

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
LEAP Social Enterprise Rich Center	9/10/2020	\$ 1,011,720.00	\$ 92,926.03	\$ 88,421.94	\$ 830,372.03
		<u>\$ 1,011,720.00</u>	<u>\$ 92,926.03</u>	<u>\$ 88,421.94</u>	<u>\$ 830,372.03</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, 2022

Expenditures and Other Financing Uses

Expenditures:		
Architecture	\$	88,421.94
Total Expenditures		88,421.94
Excess (Deficiency) of Revenues Over (Under) Expenditures		(88,421.94)
Fund Balance, July 1		918,793.97
Fund Balance, June 30	\$	830,372.03
Reconciliation to Governmental Funds Statements (GAAP):		
Fund Balance as of June 30, 2022	\$	830,372.03

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, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
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	1,011,720.00		1,011,720.00	1,011,720.00
Expenditures and Other Financing Uses				
Architecture	92,926.03	\$ 88,421.94	181,347.97	208,847.97
Construction Services				802,872.03
Total Expenditures	92,926.03	88,421.94	181,347.97	1,011,720.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 918,793.97	\$ (88,421.94)	\$ 830,372.03	\$ -
Encumbered			\$ 27,500.00	
Designated for Subsequent Year Expenditures			802,872.03	
			<u>\$ 830,372.03</u>	
Additional Project Information				
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		N/A		
Percentage Completion		18%		
Original Target Completion Date		9/30/2022		
Revised Target Completion Date		6/30/2024		

PROPRIETARY FUNDS

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Proprietary Fund
Statement of Net Position
June 30, 2022

	Business-Type Activities <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash	\$ 420,703.79
Accounts Receivable	60,674.60
Intergovernmental Accounts Receivable:	
State	1,746.78
Federal	149,047.55
Inventories	<u>4,104.60</u>
Total Current Assets	<u>636,277.32</u>
Noncurrent Assets:	
Equipment	588,806.22
Less Accumulated Depreciation	<u>(387,007.69)</u>
Total Noncurrent Assets	<u>201,798.53</u>
Total Assets	<u>838,075.85</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	27,759.05
Interfund Accounts Payable:	
General Fund	<u>162,047.42</u>
Total Current Liabilities	<u>189,806.47</u>
NET POSITION:	
Net Investment in Capital Assets	201,798.53
Unrestricted	<u>446,470.85</u>
Total Net Position	<u>\$ 648,269.38</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, 2022

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 12,553.20
Special Functions	1,440.00
Rutgers - ELRA Contract	212,321.75
Miscellaneous Revenue	3,408.73
	3,408.73
Total Operating Revenues	229,723.68
OPERATING EXPENSES:	
Salaries	728,177.78
Employee Benefits	122,769.93
Purchased Professional and Technical Services	5,330.32
Other Purchased Services	65,032.70
Cleaning, Repair and Maintenance Services	12,613.04
General Supplies	82,849.09
Depreciation	31,735.94
Cost of Sales - Reimbursable Programs	565,418.00
Cost of Sales - Nonreimbursable Programs	74,594.72
	74,594.72
Total Operating Expenses	1,688,521.52
Operating Income / (Loss)	(1,458,797.84)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program - Seamless Summer Option	23,250.60
Federal Sources:	
National School Lunch Program - Seamless Summer Option	987,525.76
After School Snack Program	13,660.00
COVID Supply Chain Assistance	34,924.77
National School Breakfast Program - Seamless Summer Option	449,723.82
Food Distribution Program	88,221.93
P-EBT Administrative Cost Reimbursement	3,135.00
Interest and Investment Revenue	224.13
Loss on Disposal of Capital Assets	(616.00)
	(616.00)
Total Nonoperating Revenues (Expenses)	1,600,050.01
Change in Net Position	141,252.17
Net Position -- July 1	507,017.21
Net Position -- June 30	\$ 648,269.38

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 334,019.55
Payments to Employees	(728,177.78)
Payments for Employee Benefits	(122,769.93)
Payments to Suppliers	(689,501.54)
	(1,206,429.70)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	29,517.73
Federal Sources	1,624,073.02
	1,653,590.75
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	(64,771.59)
	(64,771.59)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	224.13
	224.13
Net Increase (Decrease) in Cash and Cash Equivalents	382,613.59
Balance -- July 1	38,090.20
Balance -- June 30	\$ 420,703.79
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,458,797.84)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	31,735.94
Food Distribution Program	88,221.93
(Increase) Decrease in Accounts Receivable, net	104,295.87
(Increase) Decrease in Inventories	955.35
Increase (Decrease) in Accounts Payable	27,159.05
	252,368.14
Total Adjustments	252,368.14
Net Cash Provided by (used for) Operating Activities	\$ (1,206,429.70)

LONG-TERM DEBT

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2022

<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, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
LEAP Academy University Charter School, Inc.:									
Serial Bonds:									
Charter School Refunding Bonds	10/2/2015	\$ 5,940,000.00	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	131,900.51	2.24%	\$ 3,543,741.74		\$ 455,294.95	\$ 3,088,446.79
						3,543,741.74		455,294.95	3,088,446.79
LEAP Cramer Hill, LLC. (Component Unit):									
Serial Bonds:									
Charter School Revenue Bonds:									
Series 2014A (Tax Exempt)	9/29/2014	9,500,000.00	10/1/2022	140,000.00	8.00%				
Series 2014B (Taxable)	9/29/2014	500,000.00	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, 2022

<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, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</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%	\$ 9,880,000.00		\$ 125,000.00	\$ 9,755,000.00
Total LEAP Cramer Hill, LLC						<u>9,880,000.00</u>		<u>125,000.00</u>	<u>9,755,000.00</u>
LEAP STEM, LLC (Component Unit):									
Charter School Revenue Bonds:									
Series 2018 Note	12/1/2018	7,500,000.00	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	239,911.78	TBD	7,043,261.59		197,215.92	6,846,045.67
Total LEAP STEM, LLC						<u>7,043,261.59</u>		<u>197,215.92</u>	<u>6,846,045.67</u>
Total Schedule of Serial Bonds						<u>\$ 20,467,003.33</u>	<u>\$ -</u>	<u>\$ 777,510.87</u>	<u>\$ 19,689,492.46</u>

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 Leases
For the Fiscal Year Ended June 30, 2022

<u>Lease</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>(Restated) Amount Outstanding July 1, 2021</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2022</u>
			<u>Principal</u>	<u>Interest</u>					
Bus Lease	9/18/2018	5 Years	\$ 81,739.45	\$ 8,260.55	3.99%	\$ 37,302.44		\$ 16,816.96	\$ 20,485.48
Bus Lease	11/19/2019	5 Years	327,164.05	32,295.95	3.90%	224,375.78		64,282.32	160,093.46
Copiers	7/1/2020	5 Years	207,990.31	14,621.68	2.80%	168,293.22		40,325.09	127,968.13
Postage Machine	11/1/2021	3 Years	1,219.69	50.39	2.80%		\$ 1,219.69	264.49	955.20
Total Leases						<u>\$ 429,971.44</u>	<u>\$ 1,219.69</u>	<u>\$ 121,688.86</u>	<u>\$ 309,502.27</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>Fiscal Year Ending June 30.</u>									
	<u>2022 (3)</u>	<u>2021 (2)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 8,678,532.39	\$ 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
Restricted	2,446,477.10	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
Unrestricted (Deficit)	<u>202,347.54</u>	<u>(5,995,446.77)</u>	<u>(7,650,169.83)</u>	<u>(5,619,853.00)</u>	<u>(6,012,991.42)</u>	<u>(5,724,677.82)</u>	<u>(5,321,607.45)</u>	<u>(3,272,117.93)</u>	<u>(4,458,784.63)</u>	<u>726,198.06</u>
Total Governmental Activities Net Position	<u>\$ 11,327,357.03</u>	<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>
Business-type Activities										
Net Investment in Capital Assets	\$ 201,798.53	\$ 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
Unrestricted (Deficit)	<u>446,470.85</u>	<u>337,638.33</u>	<u>176,889.22</u>	<u>234,790.36</u>	<u>158,264.20</u>	<u>107,316.44</u>	<u>281,456.00</u>	<u>311,075.00</u>	<u>(156,306.00)</u>	<u>(266,916.20)</u>
Total Business-type Activities Net Position	<u>\$ 648,269.38</u>	<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>
Government-wide										
Net Investment in Capital Assets	\$ 8,880,330.92	\$ 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
Restricted	2,446,477.10	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
Unrestricted (Deficit)	<u>648,818.39</u>	<u>(5,657,808.44)</u>	<u>(7,473,280.61)</u>	<u>(5,385,062.64)</u>	<u>(5,854,727.22)</u>	<u>(5,617,361.38)</u>	<u>(5,321,607.45)</u>	<u>(3,272,117.93)</u>	<u>(4,615,090.63)</u>	<u>459,281.86</u>
Total Government-wide Net Position	<u>\$ 11,975,626.41</u>	<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>

(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*.

(3) Amounts for the year 2022 include the implementation of Governmental Accounting Standards Board Statement No.87, *Leases*.

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,									
	2022(5)	2021 (4)	2020	2019	2018 (3)	2017	2016 (1)	2015 (2)	2014	2013
Expenses										
Governmental Activities										
Instruction								\$ 8,092,058.48	\$ 8,377,052.13	\$ 8,123,628.90
Administration								7,950,283.88	6,804,647.11	5,543,619.01
Support Services								5,261,626.38	4,593,787.61	4,437,863.61
Regular Instruction	\$ 9,869,592.51	\$ 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	424,911.07	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	164,000.47	217,307.37	120,221.27	138,248.83	147,600.79	247,530.20	144,870.62			
School Sponsored Extra Curricular Activities Instruction	62,168.25	15,603.11	3,200.00	9,569.40	4,265.40	7,918.82	3,912.26			
School Sponsored Athletics Instruction	97,578.65	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			
Community Service Programs	625,826.07	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	3,113,498.53	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	783,384.36	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	2,297,773.91	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	2,177,969.00	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	725,859.99	353,784.28	293,296.24	320,861.64	370,525.12	358,905.81	287,316.10			
Unallocated Benefits	7,170,653.12	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	1,211,973.41	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
Total Governmental Activities Expenses	28,725,189.34	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
Business-type Activities:										
Food Service										
	1,688,521.52	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
Total Business-type Activities Expense	1,688,521.52	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
Total Government-Wide Expenses	\$ 30,413,710.86	\$ 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
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 85,937.97	\$ 18,156.72								
Operating Grants and Contributions	10,061,454.91	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
Capital Grants and Contributions	568,579.02	28,176.26	61,136.22	14,189.25						
Total Governmental Activities Program Revenues	10,715,971.90	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
Business-type activities:										
Food Services:										
Charges for services	229,723.68	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
Operating Grants and Contributions	1,600,441.88	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
Total Business-type Activities Program Revenues	1,830,165.56	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
Total Government-Wide Program Revenues	\$ 12,546,137.46	\$ 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
Net (Expense)/Revenue										
Governmental Activities	\$ (18,009,217.44)	\$ (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)
Business-type Activities	141,644.04	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)
Total Government-Wide Net Expense	\$ (17,867,573.40)	\$ (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)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Charter School Aid	\$ 22,526,094.00	\$ 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
State and Federal Aid - Not Restricted	123,623.56	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	20,279.59	24,246.11	49,533.10	66,871.78	21,032.44	6,385.95	4,995.15	3,765.44	58,290.26	
Lease Interest	72,362.42									
Lease Revenue	72,601.20									
Miscellaneous Income	1,463,229.07	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
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	\$ 24,278,189.84	\$ 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

(Continued)

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

	2022(5)	2021 (4)	2020	2019	Fiscal Year Ending June 30, 2018 (3)	2017	2016 (1)	2015 (2)	2014	2013
General Revenues and Other Changes in Net Position (Cont'd)										
Business-type Activities:										
Investment Earnings	\$ 224.13	\$ 77.61	\$ 1,246.87	\$ 1,923.22	\$ 465.78	\$ 68.24	\$ 45.75	\$ 30.70	\$ 28.13	\$ 11.82
Transfers							4,958.19	175,921.11	188,671.98	200,000.00
Total Business-type Activities	<u>(391.87)</u>	<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>
Total Government-Wide	<u>\$ 24,277,797.97</u>	<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>
Change in Net Position										
Governmental Activities	\$ 6,268,972.40	\$ 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
Business-type Activities	<u>141,252.17</u>	<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>
Total Government-Wide	<u>\$ 6,410,224.57</u>	<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>

(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*.

(5) Beginning in 2022 amounts included the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

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

	2022	2021 (1)	2020	2019	Fiscal Year Ending June 30,		2016	2015	2014	2013
					2018	2017				
Fund Balances										
Nonspendable	\$ 2,311.93						\$ 61,372.21			
Restricted:										
Debt Service Reserve	74,360.78	\$ 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
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
State Mandated Reserve	75,000.00	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	3,000,000.00							
Committed:										
Other Purposes								857,436.99	406,541.17	390,647.47
Reserve for Maintenance	2,000,000.00									
Assigned:										
Other Purposes	174,584.26	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
Unassigned:										
General Fund	5,403,838.45	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
Total General Fund	<u>\$ 10,730,095.42</u>	<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>
All Other Governmental Funds										
Restricted	\$ 1,051,496.41	\$ 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	
Unassigned (Deficit), Reported in: Capital Projects Fund								(169,694.63)		
Total All Other Governmental Funds	<u>\$ 1,051,496.41</u>	<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>

(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,									
	2022	2021 (2)	2020	2019	2018	2017	2016 (1)	2015	2014	2013
Revenues										
Revenue from Local Sources	\$ 1,652,386.86	\$ 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
Charter School Aid:										
Equalization Aid - State and Local Share	21,418,192.00	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
Categorical Aid	1,107,902.00	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
Other State Sources	4,307,811.10	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
Federal Sources	6,022,138.20	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
Total Revenue	34,508,430.16	28,224,241.69	25,517,311.15	25,386,931.58	25,419,411.88	24,740,846.46	23,055,625.02	22,331,484.38	21,580,257.99	19,019,988.51
Expenditures										
Instruction								7,186,530.87	7,321,896.38	6,568,589.29
Administration								6,878,154.05	6,787,372.48	5,025,145.65
Support Services								4,948,052.00	4,843,084.84	4,616,241.31
Regular Instruction	8,757,080.39	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	424,911.07	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	164,000.47	217,307.37	120,221.27	138,248.83	147,600.79	247,530.20	144,870.62			
School Sponsored Extra Curricular Activities Instruction	62,168.25	15,603.11	3,200.00	9,569.40	4,265.40	7,918.82	3,912.26			
School Sponsored Athletics Instruction	107,578.65	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	620,167.45	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	3,107,903.50	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	752,780.07	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	2,160,856.00	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	3,269,194.34	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	539,403.19	342,640.53	265,536.24	291,711.64	341,375.12	338,502.41	287,316.10			
Unallocated Benefits	3,445,927.89	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	4,177,402.10	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	1,134,317.08	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
Capital Outlay	962,656.03	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
Total Expenditures	29,686,346.48	26,346,638.16	25,551,625.33	25,762,822.37	25,378,064.20	25,445,406.54	25,038,359.30	21,421,137.38	21,214,028.21	25,094,710.41
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,822,083.68	1,877,603.53	(34,314.18)	(375,890.79)	41,347.68	(704,560.08)	(1,982,734.28)	910,347.00	366,229.78	(6,074,721.90)
Other Financing Sources (Uses)										
Trustee Payment of Debt Service							(896,827.08)	(591,770.00)	(588,870.00)	(590,470.00)
Deposits Held with Trustee for Debt Service							556,040.97	600,354.83	597,703.60	594,887.10
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
Loan Proceeds			5,385,890.00	7,500,000.00			275,000.00	105,000.00		
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 Lease	1,219.69			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)				
Transfer In						13,422.63				
Total Other Financing Sources (Uses)	1,219.69		3,014,777.85	(683,579.31)	298,524.37	1,187,760.19	589,693.57	373,353.34	301,734.84	160,659.43
Net Change in Fund Balances	\$ 4,823,303.37	\$ 1,877,603.53	\$ 2,980,463.67	\$ (1,059,470.10)	\$ 339,872.05	\$ 483,200.11	\$ (1,393,040.71)	\$ 1,283,700.34	\$ 667,964.62	\$ (5,914,062.47)
Debt Service as a Percentage of Noncapital Expenditures	4.1%	4.2%	3.6%	4.8%	7.0%	7.3%	7.5%	9.0%	8.8%	10.3%

(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>2022</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>
Donations	\$ 50.00	\$ 90,455.65	\$ 3,628.65	\$ 577.10	\$ 121.11	\$ 170.00	\$ 75,170.00	\$ 418.96		\$ 11,772.00
E-Rate Reimbursements	20,378.75		12,022.48	124,820.00	81,012.90	100,697.78			\$ 22,271.12	
FAB Lab	1,298.00	25,402.00								
Insurance Dividend	34,652.23	91,354.00								
Insurance Claims	153,154.31									
Sale of Assets		3,600.00								
Shared Services	106,740.44									
Miscellaneous	20,595.63	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	225,116.43	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	101,282.23				(48,999.39)			4,211.85	10,727.64	29,719.02
	<u>\$ 663,268.02</u>	<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>

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

<u>Governmental Activities</u>							
Fiscal Year Ended <u>June 30,</u>	General Obligation <u>Bonds</u>	Mortgages <u>Payable</u>	Financed <u>Purchases</u>	Loans <u>Payable</u>	Total <u>Charter School</u>	Percentage of Personal <u>Income (1)</u>	<u>Per Capita (1)</u>
2022	\$ 19,689,492.46		\$ 309,502.27	\$ 5,033,889.74	\$ 25,032,884.47	Unavailable	Unavailable
2021	20,467,003.33		912,176.65	5,220,992.76	26,600,172.74	Unavailable	\$ 370.62
2020	21,221,623.25		404,552.46	5,385,890.00	27,012,065.71	0.62%	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	0.73%	385.26
2017	16,234,099.53		715,334.45	11,856,553.53	28,805,987.51	0.76%	390.43
2016	16,673,616.01		531,418.43	11,362,959.73	28,567,994.17	0.78%	386.85
2015	16,157,992.83	\$ 1,111,304.03	244,500.24	10,095,768.80	27,609,565.90	0.76%	367.01
2014	6,460,000.00	2,855,169.51	8,930.04	10,000,000.00	19,324,099.55	0.55%	255.29
2013	6,755,000.00	1,582,514.38	26,268.33	10,000,000.00	18,363,782.71	0.54%	240.66

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

<u>Year</u>	<u>Population (2)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (5)</u>
2022	Unavailable	Unavailable	Unavailable	Unavailable
2021	71,773	Unavailable	Unavailable	12.5%
2020	73,740	\$ 4,338,124,200.00	\$ 58,830.00	7.9%
2019	73,575	4,043,534,850.00	54,958.00	8.9%
2018	73,780	3,912,258,280.00	53,026.00	9.8%
2017	73,780	3,769,862,880.00	51,096.00	10.1%
2016	73,847	3,647,451,024.00	49,392.00	11.1%
2015	75,228	3,611,094,456.00	48,002.00	12.7%
2014	75,696	3,496,625,328.00	46,193.00	16.0%
2013	76,305	3,392,291,385.00	44,457.00	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>2022</u>			<u>2013</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	29.13%	10,730	1	45.97%
Cooper Anesthesia Associates PA	4,758	2	19.80%			
Virtua Our Lady Of Lourdes Medical Center	1,468	3	6.11%	2,142	3	9.18%
NFI/ NFI Industries	850	4	3.54%			
Campbell Soup Co/ Campbell Away from Home	700	5	2.91%	1,200	5	5.14%
Subaru of America Inc.	400	6	1.66%			
Cooper Pediatric Care at Camden	381	7	1.59%			
Waste Management, Inc.	300	8	1.25%			
Adventure Aquarium	290	9	1.21%			
Catelli Brothers Inc	250	10	1.04%			
Contemporary Graphics Inc	250	10	1.04%			
Cooper University Hospital	250	10	1.04%			
On Time Staffing LLC				10,000	2	42.84%
Diocese of Camden New Jersey				1,260	4	5.40%
L-3 Communication Systems-East				800	6	3.43%
MAFCO Consolidated Group Inc.				730	7	3.13%
Will-Son Corp				200	8	0.86%
Hospital Central Services, Inc.				190	9	0.81%
	<u>16,897</u>		<u>70.32%</u>	<u>27,252</u>		<u>116.76%</u>

(1) Source: ReferenceUSA.Com (2022)

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>2022</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>
Instruction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	113	102	93
Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16	21	17
Support Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38	40	36
Regular Instruction	109	103	101	112	131	120	118			
Special Education Instruction	8	8	9	11	11	8	11			
Basic Skills Remedial Instruction							1			
Bilingual Education Instruction	4	4	2	2	3	9	4			
Extra Curricular Activities Instruction				2	3		2			
Athletics Instruction	10	10	5	19	15	15	13			
Summer School	34	34	34	35	40	40	40			
Other Supplemental At Risk Programs					1	1	1			
Community Service Programs	6	6	6	6	4	7	4			
Student and Instruction Related Services	22	22	22	19	20	20	21			
School Administrative Services	13	13	13	13	21	24	20			
Other Administrative Services	10	10	10	13	13	15	24			
Plant Operations and Maintenance	36	35	35	32	25	11	9			
Pupil Transportation	7	3	3	2	2	2	3			
Total	259	248	240	266	289	272	271	167	163	146

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 <u>June 30,</u>	<u>Enrollment</u>	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	<u>Pupil/Teacher Ratio</u>			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						<u>Elementary (K-5)</u>	<u>Middle School (6-8)</u>	<u>High School (9-12)</u>				
2022	1,567	\$ 27,589,373.37	\$ 17,606.49	11.38%	121	1:20	1:20	1:20	1,547	1,419	0.26%	91.73%
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	38.91%	95.07%

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).

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2022</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>District Building</u>										
<u>Elementary</u>										
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	480
Enrollment	480	491	484	487	476	487	479	480	480	431
<u>High School</u>										
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	366	365	360	360	364	363	354	352	352	343
<u>STEM School</u>										
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	300	480	480	480
Enrollment	238	238	230	226	241	242	243	481	481	420
<u>Dr. Gloria Bonilla-Santiago (S.T.E.A.M. Campus)</u>										
S.T.E.A.M. Campus (2015)										
Square Feet	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	483	481	466	437	444	478	366	366	366	366

Number of Schools at June 30, 2022

- 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, 2022
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 - Included in property limit		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	25,000.00
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 Bonds		
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 Costs:	1,000,000.00	
Self-Insured Retention:	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

	2020 Audit	2021 Audit	2022 Audit	Source
Cash	\$ 6,845,982.29	\$ 8,619,795.90	\$ 12,227,434.07	Audit: Exhibit A-1
Current Assets (include cash)	7,740,820.83	9,887,408.67	14,938,452.38	Audit: Exhibit A-1
Current Liabilities	3,363,315.57	3,094,031.65	3,018,363.08	Audit: Exhibit A-1
Total Expenses	22,745,547.34	20,473,854.53	17,867,573.40	Audit: Exhibit A-2
Change in Net Position	(1,385,417.72)	2,015,419.12	6,410,224.57	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	1,521	1,543	1,547	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)	1,000,960.02	590,273.85	(700,099.51)	Audit: Exhibit B-3
Depreciation Expense	1,577,643.50	1,620,287.29	1,812,001.70	Auditor/Workpapers
Interest Expense	1,150,794.90	1,250,994.25	1,211,973.41	Auditor/Workpapers
Principal Payments	985,239.29	1,203,202.65	1,228,023.35	Auditor/Workpapers
Interest Payments	1,153,662.57	1,232,953.48	1,207,907.57	Auditor/Workpapers

Performance Indicators	2020	2021	2022	3 YR CUM	Calculation****	Target****
Near Term Indicators						
1a. Current Ratio (working capital ratio)	2.30	3.20	4.95		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	110	154	250		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	98%	99%	99%	99%	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
Sustainability Indicators						
2a*** 3 Year Cumulative Cash Flow	3,241,531	1,773,814	3,607,638	8,622,983	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio (1)	1.10	2.25	3.59		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

Opinion on 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 identified as subject to audit 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, 2022. 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*.

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 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Cont'd)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance 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 16, 2023

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2022

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		Balance June 30, 2021
						From	To	
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through State Department Education:								
Medical Assistance Program (Medicaid Cluster)	93.778		1905NJ5MAP	N/A	\$ 28,998.62	7/1/21	6/30/22	
Pass-through State Department of Health								
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19, 93.323	NU50CK000525	N/A	27,852.48	8/1/19	7/31/24	
U.S. Department of Federal Emergency Management Agency								
Pass-through New Jersey State Police								
FEMA Public Assistance Grants	97.036	COVID-19, 97.036	4488DRNJ000000001	N/A	59,393.46	4/8/20	6/30/22	
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	84.010		S010A200030	ESSA710921	1,243,025.00	7/1/20	9/30/21	\$ (425,479.21)
Title I Grants to Local Educational Agencies	84.010		S010A210030	ESSA710922	1,184,177.00	7/1/21	9/30/22	
Title I Grants to Local Educational Agencies - Reallocated	84.010		S010A190030	ESSA710921	40,164.00	7/1/20	9/30/21	(25,000.00)
Total Title I Grants to Local Educational Agencies								(450,479.21)
Supporting Effective Instruction State Grants (Title II)	84.367		S367A200029	ESSA710921	82,805.00	7/1/20	9/30/21	(15,703.42)
Supporting Effective Instruction State Grants (Title II)	84.367		S367A210029	ESSA710922	104,036.00	7/1/21	9/30/22	
Total Supporting Effective Instruction State Grants (Title II)								(15,703.42)
English Language Acquisition Grants (Title III)	84.365		S365A200030	ESSA710921	28,588.00	7/1/20	9/30/21	(5,750.75)
English Language Acquisition Grants (Title III)	84.365		S365A210030	ESSA710922	28,398.00	7/1/21	9/30/22	
Total English Language Acquisition Grants (Title III)								(5,750.75)
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A200031	ESSA710921	119,015.00	7/1/20	9/30/21	(9,327.65)
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A210031	ESSA710922	108,892.00	7/1/21	9/30/22	
Total Student Support & Academic Enrichment Grant (Title IV)								(9,327.65)
Individuals with Disabilities Education Act (IDEA):								
Special Education Cluster (IDEA):								
Special Education Grants to States (IDEA Basic)	84.027		H027A200030	IDEA710921	355,746.00	7/1/20	9/30/21	(145,104.72)
Special Education Grants to States (IDEA Basic)	84.027		H027A210030	IDEA710922	367,657.00	7/1/21	9/30/22	
ARP Special Education Grants to States (ARP IDEA Basic)	84.027	COVID-19, 84.027X	H027X210100	IDEA710922	88,466.00	7/1/21	9/30/22	
Total Special Education Cluster (IDEA)								(145,104.72)
Education Stabilization Fund (ESF):								
Elementary and Secondary School Emergency Relief Fund								
(ESSER)(CARES Act)								
Coronavirus Response and Relief Supplemental Appropriations:	84.425	COVID-19, 84.425D	S425D200027	Unavailable	844,734.00	03/13/20	09/30/22	(53,705.81)
(CRRSA-ESSER II):								
Addressing Student Learning	84.425	COVID-19, 84.425D	S425D200027	Unavailable	3,272,131.00	03/13/20	09/30/23	
(ARP-ESSER):								
ARP-ESSER	84.425	COVID-19, 84.425U	S425U200027	Unavailable	2,194,817.00	03/13/20	09/30/24	
Total Education Stabilization Fund								(53,705.81)
Total U.S. Department of Education - Passed-through N.J. State Department of Education								
(680,071.56)								
Total Special Revenue Fund								
(680,071.56)								
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
School Breakfast Program (SBP) - Seamless Summer Option	10.553	COVID-19, 10.553	211NJ304N1099	N/A	381,878.98	7/1/20	6/30/21	(38,978.22)
School Breakfast Program (SBP) - Seamless Summer Option	10.553	COVID-19, 10.553	221NJ304N1099	N/A	449,723.82	7/1/21	6/30/22	
Total School Breakfast Program (SBP)								(38,978.22)
National School Lunch Program - Commodities (Noncash)	10.555		221NJ304N1099	N/A	88,221.93	7/1/21	6/30/22	
National School Lunch Program - Healthy Hungry Kids Lunch Program	10.555		211NJ304N1099	N/A	12,932.69	7/1/20	6/30/21	(1,254.54)
National School Lunch Program - Seamless Summer Option	10.555	COVID-19, 10.555	211NJ304N1099	N/A	590,311.31	7/1/20	6/30/21	(63,264.66)
National School Lunch Program - Seamless Summer Option	10.555	COVID-19, 10.555	221NJ304N1099	N/A	987,525.76	7/1/21	6/30/22	
After School Snack Program	10.555		221NJ304N1099	N/A	13,660.00	7/1/21	6/30/22	
Emergency Operational Costs Reimbursement Program	10.555	COVID-19, 10.555	202121H170341	N/A	177,590.00	7/1/20	6/30/21	(177,590.80)
Supply Chain Assistance Funding	10.555	COVID-19, 10.555	221NJ344N8903	N/A	34,924.77	1/1/22	9/30/23	
Total National School Lunch Program (NSLP)								(242,110.00)
Total Child Nutrition Cluster								(281,088.22)
P-EBT Administrative Cost	10.649	COVID-19, 10.649	202121S900941	N/A	3,063.00	7/1/20	6/30/21	(3,063.00)
P-EBT Administrative Cost	10.649	COVID-19, 10.649	202222S900941	N/A	3,135.00	7/1/21	6/30/22	
Total P-EBT Administrative Cost								(3,063.00)
Total Enterprise Fund								
(284,151.22)								
Total Federal Financial Assistance								
\$ (964,222.78)								

(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.

Carryover / (Walkover) Amount	Budgetary Expenditures			Passed - Through Subrecipients	Repayment of Prior Years' Balances	Balance, June 30, 2022		Due to Grantor at June 30, 2022	
	Cash Received	Pass-Through Funds	Direct Funds			Total Budgetary Expenditures	(Accounts Receivable)		Unearned Revenue
\$ 28,998.62	\$ (28,998.62)		\$ (28,998.62)						
25,897.92	(27,852.48)		(27,852.48)			\$ (1,954.56)			
59,393.46	(59,393.46)		(59,393.46)						
114,290.00	(116,244.56)		(116,244.56)			(1,954.56)			
521,453.00	(95,973.79)		(95,973.79)						
674,173.00	(1,138,006.52)		(1,138,006.52)			(463,833.52)			
25,000.00									
1,220,626.00	(1,233,980.31)		(1,233,980.31)			(463,833.52)			
22,303.00	(6,611.56)		(6,611.56)		\$ 11.98				
90,165.00	(95,041.52)		(95,041.52)			(4,876.52)			
112,468.00	(101,653.08)		(101,653.08)		11.98	(4,876.52)			
5,699.00					51.75				
13,379.00	(27,935.46)		(27,935.46)			(14,556.46)			
19,078.00	(27,935.46)		(27,935.46)		51.75	(14,556.46)			
3,179.00					6,148.65				
90,515.00	(100,919.68)		(100,919.68)			(10,404.68)			
93,694.00	(100,919.68)		(100,919.68)		6,148.65	(10,404.68)			
145,229.00	(124.28)		(124.28)						
153,125.00	(354,568.97)		(354,568.97)			(201,443.97)			
9,112.00	(9,552.21)		(9,552.21)			(440.21)			
307,466.00	(364,245.46)		(364,245.46)			(201,884.18)			
175,420.00	(121,714.19)		(121,714.19)						
1,815,288.00	(2,488,433.85)		(2,488,433.85)			(673,145.85)			
533,670.00	(1,437,173.69)		(1,437,173.69)			(903,503.69)			
2,524,378.00	(4,047,321.73)		(4,047,321.73)			(1,576,649.54)			
4,277,710.00	(5,876,055.72)		(5,876,055.72)		6,212.38	(2,272,204.90)			
4,277,710.00	(5,876,055.72)		(5,876,055.72)		6,212.38	(2,272,204.90)			
38,978.22									
414,071.79	(449,723.82)		(449,723.82)			(35,652.03)			
453,050.01	(449,723.82)		(449,723.82)			(35,652.03)			
88,221.93	(88,221.93)		(88,221.93)						
1,254.54									
63,264.66									
911,624.01	(987,525.76)		(987,525.76)			(75,901.75)			
11,091.00	(13,660.00)		(13,660.00)			(2,569.00)			
177,590.80	(34,924.77)		(34,924.77)			(34,924.77)			
1,253,046.94	(1,124,332.46)		(1,124,332.46)			(113,395.52)			
1,706,096.95	(1,574,056.28)		(1,574,056.28)			(149,047.55)		-	
3,063.00									
3,135.00	(3,135.00)		(3,135.00)						
6,198.00	(3,135.00)		(3,135.00)						
1,712,294.95	(1,577,191.28)		(1,577,191.28)			(149,047.55)			
\$ -	\$ 6,104,294.95	\$ (7,569,491.56)	\$ -	\$ (7,569,491.56)	\$ -	\$ 6,212.38	\$ -	\$ (2,423,207.01)	\$ -

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2022

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		Carryover / (Walkover) Amount
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	
General Fund:							
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)	21-495-034-5121-078	\$ 19,023,629.00	7/1/20	6/30/21	\$ (427,235.57)	\$ 364,772.12	
Local Levy-Equalization Aid (State and Local Share)	22-495-034-5121-078	21,418,192.00	7/1/21	6/30/22			
Categorical Special Education Aid	22-495-034-5121-089	357,976.00	7/1/21	6/30/22			
Categorical Security Aid	22-495-034-5121-084	749,926.00	7/1/21	6/30/22			
Total Passed-Through Local Education Agencies					(427,235.57)	364,772.12	
State Aid - Public:							
Charter School Aid							
Non-public Charter School Aid	21-495-034-5120-071	302,446.00	7/1/20	6/30/21		13,479.00	
Non-public Charter School Aid	22-495-034-5120-071	7,379.00	7/1/21	6/30/22			
Total Charter School Aid						13,479.00	
Total State Aid - Public					(427,235.57)	378,251.12	
T.P.A.F. Social Security Aid							
T.P.A.F. Social Security Aid	21-495-034-5094-003	576,892.14	7/1/20	6/30/21	(27,627.16)		
T.P.A.F. Social Security Aid	22-495-034-5094-003	570,711.10	7/1/21	6/30/22			
Total Reimbursed TPAF Social Security Contributions					(27,627.16)		
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted):							
T.P.A.F. Post-Retirement Medical	22-495-034-5094-001	682,552.00	7/1/21	6/30/22			
Teacher's Pension and Annuity Fund	22-495-034-5094-002	2,880,735.00	7/1/21	6/30/22			
T.P.A.F. LTDI	22-495-034-5094-004	2,761.00	7/1/21	6/30/22			
T.P.A.F. Non-contributory Insurance	22-495-034-5094-004	40,643.00	7/1/21	6/30/22			
Total On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted)							
Total General Fund					(454,862.73)	378,251.12	
Special Revenue Fund:							
Securing Our Children's Future Bond Act:							
Alyssa's Law (P.L.2019, c33)							
Preschool and Charter School Security Grant	22-SS05-H-53	87,889.00	7/1/21	9/30/23			
Charter School and Renaissance School Project Emergent and Capital Maintenance Fund Allocations							
	22-495-034-5120-112-H030-6060	132,430.00	2/3/22	Completion			
Total Special Revenue Fund							
Enterprise Fund:							
New Jersey Department of Agriculture:							
National School Lunch Program - Seamless Summer Option - State							
National School Lunch Program - Seamless Summer Option - State	21-100-010-3350-023	29,689.70	7/1/20	6/30/21	(8,013.91)		
National School Lunch Program - Seamless Summer Option - State	22-100-010-3350-023	23,250.60	7/1/21	6/30/22			
Total Enterprise Fund					(8,013.91)		
Total State Financial Assistance					\$ (462,876.64)	\$ 378,251.12	\$ -
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	22-495-034-5094-001	682,552.00	7/1/21	6/30/22			
Teacher's Pension and Annuity Fund	22-495-034-5094-002	2,880,735.00	7/1/21	6/30/22			
T.P.A.F. LTDI	22-495-034-5094-004	2,761.00	7/1/21	6/30/22			
T.P.A.F. Non-contributory Insurance	22-495-034-5094-004	40,643.00	7/1/21	6/30/22			
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, 2022			Memo	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 378,469.68			\$ (101,282.23)	\$ (215,473.00)	\$ (5,191.00)		\$ 4,442.00		\$ 19,023,629.00
21,283,325.00	\$ (21,418,192.00)				(254,204.00)		119,337.00		21,418,192.00
357,976.00	(357,976.00)								357,976.00
749,926.00	(749,926.00)								749,926.00
<u>22,769,696.68</u>	<u>(22,526,094.00)</u>		<u>(101,282.23)</u>	<u>(215,473.00)</u>	<u>(259,395.00)</u>		<u>123,779.00</u>		<u>41,549,723.00</u>
				(13,479.00)					302,446.00
7,379.00	(7,379.00)								7,379.00
7,379.00	(7,379.00)			(13,479.00)					309,825.00
<u>22,777,075.68</u>	<u>(22,533,473.00)</u>		<u>(101,282.23)</u>	<u>(228,952.00)</u>	<u>(259,395.00)</u>		<u>123,779.00</u>		<u>41,859,548.00</u>
27,627.16									576,892.14
543,516.92	(570,711.10)				(27,194.18)				570,711.10
<u>571,144.08</u>	<u>(570,711.10)</u>				<u>(27,194.18)</u>				<u>1,147,603.24</u>
682,552.00	(682,552.00)								682,552.00
2,880,735.00	(2,880,735.00)								2,880,735.00
2,761.00	(2,761.00)								2,761.00
<u>40,643.00</u>	<u>(40,643.00)</u>								<u>40,643.00</u>
3,606,691.00	(3,606,691.00)								3,606,691.00
<u>26,954,910.76</u>	<u>(26,710,875.10)</u>		<u>(101,282.23)</u>	<u>(228,952.00)</u>	<u>(286,589.18)</u>		<u>123,779.00</u>		<u>46,613,842.24</u>
132,430.00	(123,030.00)						\$ 9,400.00		132,430.00
<u>132,430.00</u>	<u>(123,030.00)</u>						<u>9,400.00</u>		<u>132,430.00</u>
8,013.91									29,689.70
21,503.82	(23,250.60)				(1,746.78)				23,250.60
<u>29,517.73</u>	<u>(23,250.60)</u>				<u>(1,746.78)</u>				<u>52,940.30</u>
<u>\$ 27,116,858.49</u>	<u>\$ (26,857,155.70)</u>	<u>\$ -</u>	<u>\$ (101,282.23)</u>	<u>\$ (228,952.00)</u>	<u>\$ (288,335.96)</u>	<u>\$ 9,400.00</u>	<u>\$ 123,779.00</u>	<u>\$ -</u>	<u>\$ 46,799,212.54</u>

\$ (682,552.00)
(2,880,735.00)
(2,761.00)
(40,643.00)
(3,606,691.00)
\$ (23,250,464.70)

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, 2022

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 \$29,837.92 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	\$ 116,244.56	\$ 26,710,875.10	\$ 26,827,119.66
Special Revenue	5,905,893.64	123,030.00	6,028,923.64
Food Service	1,577,191.28	23,250.60	1,600,441.88
	<u>7,599,329.48</u>	<u>26,857,155.70</u>	<u>34,456,485.18</u>
GAAP Basis Revenues			
GAAP Adjustments:			
Encumbrances	(29,837.92)		(29,837.92)
	<u>(29,837.92)</u>		<u>(29,837.92)</u>
Total Awards and Financial Assistance Expended	<u>\$ 7,569,491.56</u>	<u>\$ 26,857,155.70</u>	<u>\$ 34,426,647.26</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 the following:

<u>Description</u>	<u>Federal</u>	<u>State</u>
Favorable Liquidation of 2020-21 Encumbrances	\$ 6,211.19	
Rounding in Collection of Receivables	1.19	
Board of Trustees Cancellation of Receivables and Payables, Net		\$ (101,282.23)
	<u>\$ 6,212.38</u>	<u>\$ (101,282.23)</u>

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2022, 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, 2022

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	Nonpublic Charter School 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, 2022

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, 2022

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, 2022

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

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.

