



LEAP Academy
UNIVERSITY SCHOOL

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
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INTRODUCTORY SECTION

February 7, 2024

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, 2023, 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 2022-2023 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
2022-2023	1,560	0%
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 remained in place since inception in 1997. 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*” has provided the guidance and direction for our school and for all our stakeholders. Our mission has sustained our efforts, as the school came together to address post-COVID challenges and has informed our actions to address challenging issues such as learning loss, and trauma and social-emotional challenges of our students and families. 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 upgrade our facilities to ensure that they are safe, healthy and welcoming for in-person learning.
2. Re-engage our community from children to teachers and parents as we collectively address the challenges of the post-COVID period.
3. Re-organize and prepare our staff to support students in academic recovery, while sustaining our college going culture and ensuring that our students progress and reach high academic performance.
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.

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 2023 was the 19th 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 1,623 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 School are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the Charter School is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to a periodic evaluation by the School's management. As part of the School's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the School has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as a reappropriation of fund balances in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance on June 30, 2023.

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

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

DEBT ADMINISTRATION: The Charter School's outstanding debt, including the component units, at the close of the fiscal year was \$24,681,621.20. 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, and computers, lease liabilities for school buses and office equipment and various subscription liabilities.

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

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

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

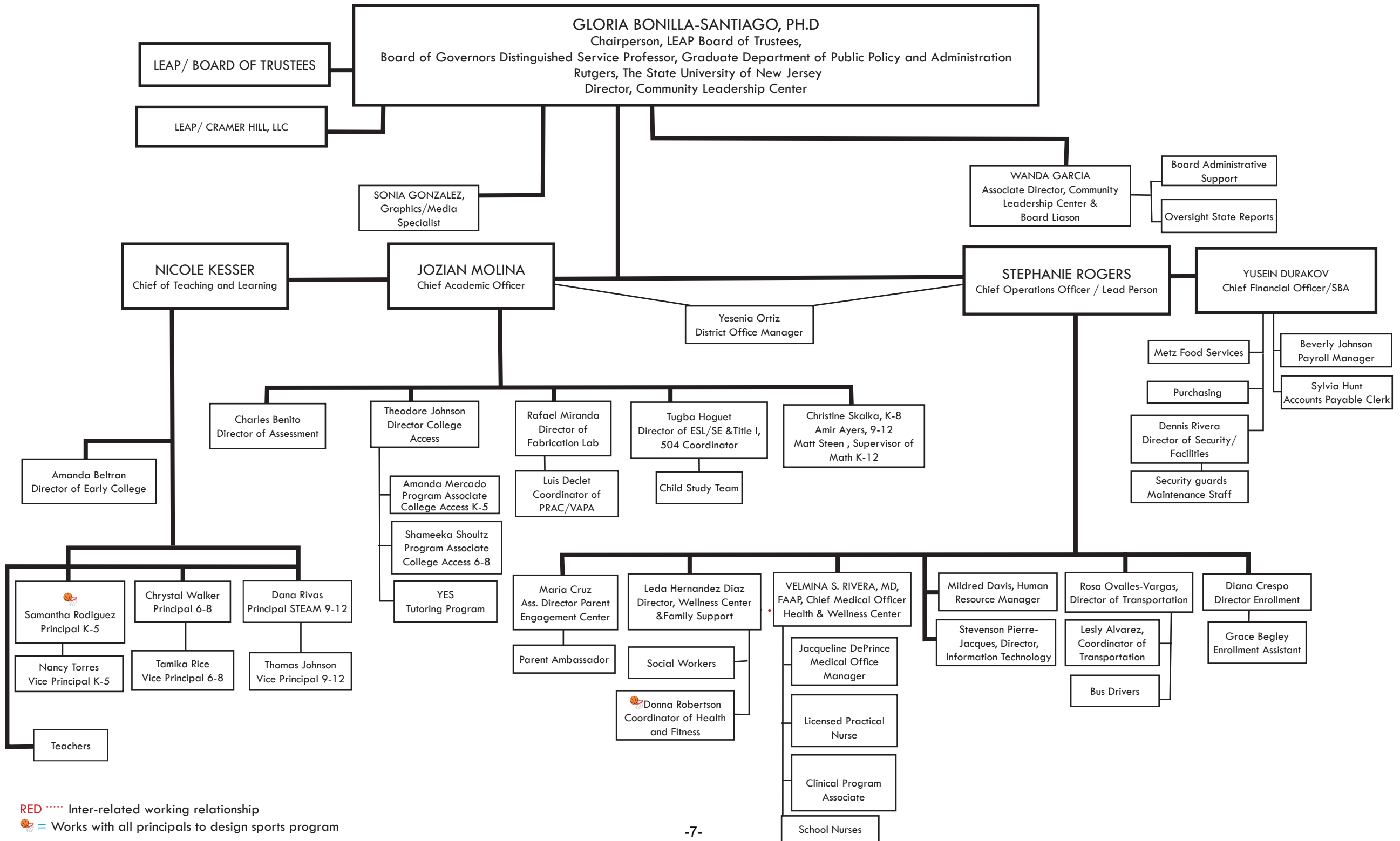
OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor’s reports related specifically to the single audit are included in the single audit section of the report.


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

Respectfully submitted,



Dr. Gloria Bonilla-Santiago
Board Chair



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

**LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
CAMDEN, NEW JERSEY
ROSTER OF OFFICIALS
June 30, 2023**

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. Donna Nickitas
Dr. Yosmeriz Roman
Omar Samaniego
Margo Venable

Parent Representatives:

Hector Nieves
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

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Philadelphia, PA 19102

Official Depositories

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Cherry Hill, NJ 08034

Republic Bank
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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, 2023, 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 accompanying 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, 2023, 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 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, 2023, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Restatement of Prior Period Financial Statements

Because of the implementation of GASB Statement No. 96, net position of governmental activities as of July 1, 2022 on the statement of activities has been restated, as discussed in note 18 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.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2024 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 002459

Voorhees, New Jersey
February 7, 2024

**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, 2023
(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 comprehensive financial report this narrative overview and analysis of the financial activities for the fiscal year that ended on June 30, 2023. 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 (2022-2023) and the prior fiscal year (2021-2022) 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 \$18,905,371.37 at the close of the current fiscal year. Of this amount, \$18,454,218.75 represents net position of governmental activities and \$451,152.62 for Business-Type activities. At June 30, 2022, these were \$11,327,357.03 and \$648,269.38, respectively.
- As of the close of the current fiscal year, the Charter School's governmental funds reported combined ending fund balances of \$17,581,492.50, an increase of \$5,799,900.67, in comparison with the prior fiscal year combined ending fund balances, which were \$11,781,591.83.
- At the beginning of fiscal year 2023, the Charter School implemented GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This implementation involved the recognition of subscription assets \$418,061.40 net of lease accumulated amortization (\$129,547.88), subscription liabilities \$249,239.256 and the interest associated with the lease liabilities has been recognized with other interest on long-term debt. This implementation involved a prior period adjustment that is disclosed in the Notes to the Financial Statements Note 18.

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.

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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.

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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 2023 and 2022.

Table A-1
Statements of Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$22,761,810.25	\$16,672,294.81	\$ 496,108.44	\$ 474,229.90	\$ 23,257,918.69	\$17,146,524.71
Capital Assets	<u>31,087,465.43</u>	<u>31,536,206.28</u>	<u>235,078.88</u>	<u>201,798.53</u>	<u>31,322,544.31</u>	<u>31,738,004.81</u>
Total Assets	<u>53,849,275.68</u>	<u>48,208,501.09</u>	<u>731,187.32</u>	<u>676,028.43</u>	<u>54,580,463.00</u>	<u>48,884,529.52</u>
Deferred Outflows of Resources - Related to Pensions	<u>1,688,309.00</u>	<u>2,334,334.00</u>			<u>1,688,309.00</u>	<u>2,334,334.00</u>
Long-term Liabilities	29,180,895.04	29,601,167.47			29,180,895.04	29,601,167.47
Other Liabilities	<u>3,383,781.53</u>	<u>2,990,604.03</u>	<u>280,034.70</u>	<u>27,759.05</u>	<u>3,663,816.23</u>	<u>3,018,363.08</u>
Total Liabilities	<u>32,564,676.57</u>	<u>32,591,771.50</u>	<u>280,034.70</u>	<u>27,759.05</u>	<u>32,844,711.27</u>	<u>32,619,530.55</u>
Deferred Inflows of Resources - Related to Leases	1,362,682.36	1,435,283.56			1,362,682.36	1,435,283.56
Related to Pensions	<u>3,156,007.00</u>	<u>5,188,423.00</u>			<u>3,156,007.00</u>	<u>5,188,423.00</u>
	<u>4,518,689.36</u>	<u>6,623,706.56</u>			<u>4,518,689.36</u>	<u>6,623,706.56</u>
Net Position						
Net Investment in Capital Assets	9,236,216.26	8,678,532.39	235,078.88	201,798.53	9,471,295.14	8,880,330.92
Restricted	2,766,780.14	2,446,477.10			2,766,780.14	2,446,477.10
Unrestricted	<u>6,451,222.35</u>	<u>202,347.54</u>	<u>216,073.74</u>	<u>446,470.85</u>	<u>6,667,296.09</u>	<u>648,818.39</u>
Total Net Position	<u>\$18,454,218.75</u>	<u>\$11,327,357.03</u>	<u>\$ 451,152.62</u>	<u>\$ 648,269.38</u>	<u>\$ 18,905,371.37</u>	<u>\$11,975,626.41</u>

Governmental Activities

In the governmental activities, total assets increased by \$5,640,774.59. Overall, the Charter School's cash position increased \$6,660,283.58 since June 30, 2022. Internal balances decreased (\$80,987.42). Receivables and leases receivable decreased (\$444,578.76) and (\$42,890.03), respectively. Prepaid expenses decreased (\$2,311.93). Capital assets (net) decreased by (\$448,740.85) because the depreciation of existing assets exceeded the value of newly acquired capital assets.

Deferred outflows decreased (\$646,025.00) because of GASB 68 for the Charter School's participation in various pension plans.

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THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Governmental Activities (Cont'd)

Total liabilities decreased by (\$27,094.93). Most significant was a net decrease in noncurrent liabilities of (\$353,340.75). This included a decrease in bonds payable of (\$811,165.90); loans payable of (\$194,636.96); financed purchases of (\$153,954.28); and lease liability (\$95,907.14) offset by increases for compensated absences \$10,772.97 and net pension liability \$642,311.00. As mentioned previously, the charter school recognized subscription liabilities under GASB 96 which were \$249,239.56 as the end of the current fiscal year which is a decrease of (\$3,218.71) from the amount included in a prior period adjustment of \$252,458.27. Also contributing to the net decrease in liabilities were decrease for amounts payable to local school districts of (\$119,337.00) and accrued interest payable of (\$5,624.20); offset by an increase for unearned revenue of \$118,688.39; accounts payable \$229,372.00; accounts payable related to pension \$91,372.00 and amounts payable to the State of New Jersey \$11,803.00.

Deferred inflows of resources decreased by (\$2,105,017.20) because of GASB 68 for the Charter School's participation in various pension plans (\$2,032,416.00) and lease revenue (\$72,601.20).

At June 30, 2023, net position was \$18,905,371.37, an increase of \$6,929,744.96 over the net position at June 30, 2022, which was \$11,975,626.41.

The largest portion of net position, \$9,236,216.26 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, 2022, net investment in capital assets was \$8,678,532.39.

An additional component of the Charter School's net position represents resources that are restricted, which totaled \$2,766,780.14 consisting of amounts restricted for debt service, grant expenditures and other restricted purposes. At June 30, 2022, restricted net position was \$2,446,477.10.

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 \$6,451,222.35. At June 30, 2022, unrestricted deficit was \$202,347.54. Revenues from unrestricted resources exceeded unrestricted expenditures, thus increasing unrestricted net position.

Business-Type Activities

In the business-type activities, total assets increased \$55,158.89. The cash position increased \$37,162.28. Accounts receivable decreased (\$102,161.09). Inventories increased by \$5,889.93. Capital assets net of accumulated depreciation increased by \$33,280.35.

Liabilities which included accounts payable increased by \$252,275.65.

At June 30, 2023, net position was \$451,152.62 comprised of net investment in capital assets of \$235,078.88 and unrestricted net position of \$216,073.74. 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.

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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 2023 and 2022.

Table A-2
Changes in Net Position

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 111,339.88	\$ 85,937.97	\$ 265,905.56	\$ 229,723.68	\$ 377,245.44	\$ 315,661.65
Operating Grants and Contributions	10,105,591.57	10,061,454.91	1,465,622.99	1,600,441.88	11,571,214.56	11,661,896.79
Capital Grants and Contributions	517,645.35	568,579.02			517,645.35	568,579.02
General revenues:						
Charter School Aid	24,138,995.00	22,526,094.00			24,138,995.00	22,526,094.00
State and Federal Aid - Not Restricted	85,130.46	123,623.56			85,130.46	123,623.56
Investment Earnings	226,237.02	20,279.59	6,506.73	224.13	232,743.75	20,503.72
Lease Interest	70,983.93	72,362.42			70,983.93	72,362.42
Lease Revenue	72,601.20	72,601.20			72,601.20	72,601.20
Miscellaneous Income	2,133,177.95	1,463,229.07			2,133,177.95	1,463,229.07
Loss on Disposal of Capital Assets	(7,020.00)		(660.00)	(616.00)	(7,680.00)	(616.00)
Total Revenues	37,454,682.36	34,994,117.4	1,737,375.28	1,829,773.69	39,192,057.64	36,823,935.43
Expenses						
Regular Instruction	10,099,475.24	9,869,592.51			10,099,475.24	9,869,592.51
Special Education Instruction	626,083.33	424,910.07			626,083.33	424,910.07
Bilingual Education Instruction	253,652.93	164,000.47			253,652.93	164,000.47
School Sponsored Extra Curricular Activities Instruction	41310.84	62,168.25			41310.84	62,168.25
School Sponsored Athletics Instruction	10,794.75	97,578.65			10,794.75	97,578.65
Community Service Programs	650,699.57	625,826.07			650,699.57	625,826.07
Support Services and Undistributed Costs:						
Student and Instruction Related Services	4,273,570.83	3,113,498.53			4,273,570.83	3,113,498.53
School Administrative Services	990,448.60	783,384.36			990,448.60	783,384.36
Other Administrative Services	2,579,997.56	2,297,773.91			2,579,997.56	2,297,773.91
Plant Operations and Maintenance	1,784,503.10	2,177,969.00			1,784,503.10	2,177,969.00
Pupil Transportation	958,652.28	725,859.99			958,652.28	725,859.99
Unallocated Benefits	6,810,552.17	7,170,653.12			6,810,552.17	7,170,653.12
Interest on Long Term Debt	1,176,669.60	1,211,973.41			1,176,669.60	1,211,973.41
Food Services			1,934,492.04	1,688,521.52	1,934,492.04	1,688,521.52
Total Expenses	30,356,410.80	28,725,189.34	1,934,492.04	1,688,521.52	32,290,902.84	30,413,710.86
Net Increase/(Decrease) in Net Position	7,098,271.56	6,268,927.40	(197,116.76)	141,252.17	6,901,154.80	6,410,224.57
Net Position -- July 1	11,327,357.03	4,575,863.91	648,269.38	507,017.21	11,975,626.41	5,082,881.12
Prior Period Adjustment	28,590.16	482,520.72			28,590.16	482,520.72
	11,355,947.19	5,058,384.63	648,269.38	507,017.21	12,004,216.57	5,565,401.84
Net Position -- June 30	\$ 11,355,947.19	\$ 5,058,384.63	\$ 648,269.38	\$ 507,017.21	\$ 12,004,216.57	\$ 5,565,401.84
	\$ 11,327,357.03	\$ 4,575,863.91	\$ 648,269.38	\$ 507,017.21	\$ 11,975,626.41	\$ 5,082,881.12

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USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Governmental Activities

During fiscal year 2023, the Charter School's total revenues increased by \$2,460,520.62 increasing from \$34,994,161.74 in fiscal year 2022 to \$37,454,682.36 in fiscal year 2023. The net increase in total revenues is attributable to the following:

- Charges for services from student activities increased \$25,401.91 representing a continued return from the conditions experience during the pandemic.
- Operating Grants and Contributions increased \$44,136.66. 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 decreased (\$50,933.67). This revenue includes restricted grants expended for the acquisition of capital assets.
- The Charter School had an increase in Charter School Aid of \$1,612,901.00. These revenues are Local Levy Equalization Aid State and Local Share, Security Aid and Special Education Aid.
- Miscellaneous revenues increased \$669,948.88.
- The Charter School recognized separately from miscellaneous revenue amounts received for lease interest revenue which decreased (\$1,378.49) and lease revenue which was the same as the prior year.
- State and Federal Aid, which is not restricted, decreased (\$38,493.10). This revenue includes Nonpublic Aid received direct from the State of New Jersey and federal SEMI Medicaid.
- Investment earnings increased \$205,957.43.
- Included with general revenues is the recognition of a loss on the disposal of capital assets (\$7,020.00).

During fiscal year 2023, the Charter School's total expenses increased by \$1,631,221.46, increasing from \$28,725,189.34 in fiscal year 2022 to \$30,356,410.80 in fiscal year 2023.

- Instruction increased \$513,066.14.
- Community service programs comprised of the clinic increased \$24,873.50.
- Student and instruction related services increased \$1,160,072.30.
- Administrative services increased \$489,287.89.
- Plant operations and maintenance decreased (\$393,465.90).
- Pupil transportation increased \$232,792.29.
- Employee benefits which include TPAF Social Security, Pensions and post-retirement benefits decreased (\$360,100.95).
- Interest on long-term debt decreased (\$39,020.84).

Business-Type Activities

For 2023, business-type revenues were \$1,737,375.28, a (5%) decrease over the 2022 revenues, which were \$1,829,773.69. This decrease can be attributed to the change in revenue structure after the programs administered during the pandemic ended.

The largest sources of business-type revenues (84%) were for operating grants \$1,465,622.99. These were \$1,600,441.88 in 2022. Charges for services were \$265,905.56, 15% in 2023. Charges for services in 2022 were \$229,723.68. The remainder was for interest earnings which were \$6,506.73 in 2023 and \$224.13 in 2022.

Expenditures for business-type activities were \$1,934,492.04 in 2023, an increase of \$245,970.52 over expenditures of \$1,688,521.52 in 2022.

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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 2023 and 2022.

Table A-3
Net Cost of Governmental Activities

	<u>Source</u>	<u>2023</u>		<u>2022</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	\$ 10,099,475.24	\$ 7,484,453.82	\$ 9,869,592.51	\$ 7,308,785.99
Special Education Instruction	A-2	626,083.33	626,083.33	424,911.07	424,911.07
Bilingual Education Instruction	A-2	253,652.93	253,652.93	164,000.47	164,000.47
School Sponsored Extra Curricular Activities Instruction	A-2	41,310.84	41,310.84	62,168.25	62,168.25
School Sponsored Athletics Instruction	A-2	110,794.75	110,794.75	97,578.65	97,578.65
Community Service Programs	A-2	650,699.57	650,699.57	625,826.07	625,826.07
Support Services and Undistributed Costs:					
Student and Instruction Related Services	A-2	4,273,570.83	861,354.14	3,113,498.53	611,338.04
School Administrative Services	A-2	990,448.60	990,448.60	783,384.36	783,384.36
Other Administrative Services	A-2	2,579,997.56	2,579,997.56	2,297,773.91	2,297,773.91
Plant Operations and Maintenance	A-2	1,784,503.10	1,784,503.10	2,177,969.00	1,972,561.00
Pupil Transportation	A-2	958,652.28	958,652.28	725,859.99	725,859.99
Unallocated Benefits	A-2	6,810,552.17	2,103,213.48	7,170,653.12	1,723,056.23
Interest on Long Term Debt	A-2	1,176,669.60	1,176,669.60	1,211,973.41	1,211,973.41
Total Governmental Activities		\$ 30,356,410.80	\$ 19,621,834.00	\$28,725,189.34	\$18,009,217.44

THE CHARTER SCHOOL'S FUNDS

Governmental Funds

As the Charter School completed the fiscal year, its governmental funds reported a *combined* fund balance of \$17,581,492.50, an increase of \$5,799,900.67 over the balance of \$11,781,591.83 at June 30, 2022. Of the combined ending fund balances, the general fund had an unassigned fund balance of \$10,999,063.62. The remainder of fund balances are restricted, committed or assigned to indicate that it is not available for new spending because it has already been earmarked. These are (1) restricted for debt service reserve \$75,536.03; (2) restricted for a state mandated charter school escrow reserve \$75,000.00; (3) restricted by the Charter School's agreements with its financial institution \$3,000,000.00; (4) restricted in the special revenue fund for local grants \$175,652.93 and the Student Activity/ Parent Unit Fund \$93,658.08; (5) restricted for an ongoing capital project \$1,055,781.84 (6) committed by the Board of Trustees for future capital outlays \$2,000,000.00; or (7) assigned for fiscal year-end encumbrances \$106,800.00. 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 \$10,999,063.62.

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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 \$5,526,304.23. Revenues in the current fiscal year exceed expenditures and net other financing uses, thus increasing fund balance. The primary factors affecting the fund balance of the general fund are as follows:

Revenues increased \$2,300,098.96 from \$28,225,4029.36 in 2022 to \$30,525,501.32 in 2023.

- An increase of \$1,526,447.09 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 \$847,537.97 which include revenues earned in its contract with Rutgers Preschool, the provision of transportation services, the clinic, donations, interest income and other miscellaneous revenue sources.
- A decrease in federal revenue of (\$73,887.10) which is SEMI Medicaid; however, the prior year included revenues from the participation in COVID-19 testing and FEMA Public Assistance Grants.

There was a net increase in expenditures of \$1,476,162.00 from \$23,419,388.40 in fiscal year 2022 to \$24,895,550.40 in the current fiscal year.

- An increase of \$352,909.56 for instruction.
- An increase of \$210,388.00 for student and instruction related services.
- An increase of \$3385,122.85 for school and other administrative services.
- A decrease of (\$257,858.60) for plant operations.
- An increase of \$40,234.67 for community service programs which includes the clinic.
- An increase of \$236,171.23 for pupil transportation.
- An increase of \$202,032.90 for employee benefits including TPAF Social Security and Pension that are state funded.
- An increase of \$69,274.79 for debt service.
- An increase of \$543,541.67 for capital outlay which includes the acquisition of capital assets through purchase, lease, and subscription.

In Other Financing Sources, the Charter School recognized an amount to offset the lease added to capital outlay for copiers and amounts to offset subscription assets also added to capital outlay. Other Financing Sources and (Uses) in fiscal year 2022 was for a lease of a postage machine.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state, federal and local grants, and student activity funds, which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Fiscal year 2023 activity resulted from the Charter School administering and operating programs funded by Federal Awards: Title I, Part A and SIA; Title II, Part A, Title III including Immigrant; Title IV; I.D.E.A. Basic and Preschool, Education Stabilization Fund which included CRRSA ESSER II, ARP ESSER and ARP Homeless Children and Youth and the School and Small Business Energy Efficiency Stimulus Program through the Coronavirus State and Local Fiscal Recovery funding. State Awards: Preschool and Charter School Security Grant, Charter School and Renaissance School Project Emergent and Capital Maintenance Fund Applications and Climate Change Education Grants to Schools. In addition, the Charter School has several local awards and manages the student activity and parent unit funds in the special revenue fund.

Total revenues were \$6,888,575.61 and total expenditures were \$6,840,388.98 from these programs. In the prior year, revenues were \$6,283,027.80 and expenditures were \$6,178,536.14.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2023
(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 or capital outlay from the general fund. At June 30, 2023, Fund balance in the capital projects fund was \$1,055,781.84. At June 30, 2022, fund balance was \$830,372.03. The fund balance is for an ongoing capital project for which expenditures were \$24,590,119.4 in 2023 and \$88,421.94 in 2022.

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 \$451,152.62, which was comprised of \$235,078.88 net investment in capital assets and \$216,073.74 unrestricted net position. During the fiscal year, the net position of the food service fund decreased (\$197,116.76) over the net position at June 30, 2022 of \$648,269.38.

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 \$24,418,737.16, a decrease of (\$475,185.00) over the original anticipated revenue of \$24,893,922.16. Total budgeted revenues realized were \$30,525,501.32, which was \$6,106,764.16 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 \$4,055,554.19; local sources of \$1,995,089.51; and federal sources of \$42,357.46. 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 \$23,612,378.09. This is a decrease of (\$717,438.72) over the original budgeted estimate of \$24,329,816.81. Actual expenditures were \$24,895,550.40 and more than the final budget estimate by \$1,283,172.31. This results from appropriations which have not been expended or are encumbered at fiscal year-end offset by an excess of (\$4,055,554.19) 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 \$6,973,824.97 (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 which do not have formally adopted budgets.

Capital Projects Fund Budgetary Highlights

For the fiscal year ended June 30, 2023, the budget for a capital project was \$1,080,372.03. Actual expenditures were \$24,590.19. At the end of the current fiscal year, a budget balance of \$1,055,781.84 is available for the ongoing capital project.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2023
(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, 2023 amounted to a historical cost of \$55,569,568.65, or \$31,322,544.31 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 and subscription assets. Capital assets decreased by (\$696,508.93) in fiscal year 2023 from fiscal year 2022. The key factors in this net increase are as follows:

- Improvements to real property increased \$370,404.60.
- Through acquisition, equipment increased 230,057.42.
- Through recognition of lease liabilities, leased assets – equipment increased \$37,445.18.
- Through prior period adjustment, subscription assets were added for \$309,153.27 and in the current fiscal year, these assets increased \$108,908.13.
- Construction in Progress established for costs incurred to date for an ongoing capital project increased \$259,392.19.
- From the depreciation and amortization on existing and newly acquired capital assets, accumulated depreciation increased \$1,702,716.45.

Table A-4

Capital Assets (Net of Accumulated Depreciation and Amortization)

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u> <u>(Restated)</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
Land	\$ 2,183,511.00	\$ 2,183,511.00			\$ 2,183,511.00	\$ 2,183,511.00
Construction in Progress	440,740.16	181,347.97			440,740.16	181,347.97
Buildings & Bldg Improvements	42,924,364.31	42,553,959.71			42,924,364.31	42,553,959.71
Equipment	7,138,788.89	6,969,044.78	\$ 649,119.53	\$ 588,806.22	7,787,908.42	7,557,851.00
Vehicles	1,159,424.68	1,159,424.68			1,159,424.68	1,159,424.68
Leased Assets - Equipment	246,655.18	209,210.00			246,655.18	209,210.00
Leased Assets - Vehicles	408,903.50	408,903.50			408,903.50	408,903.50
Subscription Assets	418,061.40	309,153.27			418,061.40	309,153.27
Total Capital Assets	<u>54,920,449.12</u>	<u>53,974,554.91</u>	<u>649,119.53</u>	<u>588,806.22</u>	<u>55,569,568.65</u>	<u>54,563,361.18</u>
Less: Accumulated Depreciation and Amortization	(23,832,983.69)	(22,157,300.20)	(414,040.65)	(387,007.69)	(24,247,024.34)	(22,544,307.89)
Net Capital Assets	<u>\$ 31,087,465.43</u>	<u>\$ 31,817,254.71</u>	<u>\$ 235,078.88</u>	<u>\$ 201,798.53</u>	<u>\$ 31,322,544.31</u>	<u>\$ 32,019,053.24</u>

Additional information on the Charter School's capital assets can be found in note 6.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2023
(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 \$18,884,720.82 of bonded debt outstanding that included general obligation bonds \$2,622,852.95 and charter school revenue bonds \$16,261,867.87 (including an unamortized premium on issuance of \$6,165.89) outstanding, a decrease of (\$811,165.90) from the previous fiscal year.

Loans Payable. At the end of the current fiscal year, the Charter School had a balance of \$4,839,852.78 in loans payable, a decrease of (\$194,636.96) from the previous fiscal year.

Financed Purchases. At the end of the current fiscal year, the Charter School's component unit, LEAP Student Transportation, LLC had a financed purchase of \$494,812.91 outstanding, a decrease of (\$153,954.28) from the previous fiscal year. This decrease included the final payment on finance purchases of the Charter School and its component unit, LEAP Cramer Hill, LLC.

Lease Liability. At the end of the current fiscal year, the Charter School had leases totaling \$213,595.13 outstanding, a decrease of (\$95,907.14) from the previous fiscal year.

Subscription Liability. At the end of the current fiscal year, the Charter School had subscription liabilities totaling \$249,239.56 outstanding, a decrease of (\$3,218.71) from the previous fiscal year which has been restated under the provisions of GASB Statement No. 96.

Compensated Absences. At the end of the current fiscal year, the Charter School had a \$169,032.13 liability for compensated absences, a net increase of \$10,772.97 from the previous fiscal year.

Net Pension Liability. At the end of the current fiscal year, the Charter School had a \$5,718,624.00 liability for its proportionate share of the net pension liability in the Public Employees' Retirement System: a net increase of \$642,311.00.

FUTURE OUTLOOK

The Charter School maintained its general fund budget through the revenue received from students' districts of residence for their equalization aid/local levy state and local share categorical aid specific for their students and from federal and state aid and miscellaneous revenue sources. Approximately 75% of total revenue in the general fund is from the local and state levy, 4% is from categorical aid, 13% from other state aid, 7% 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, 2023

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 12,861,672.58	\$ 457,866.07	\$ 13,319,538.65
Receivables (Note 3)	2,303,622.50	109,307.84	2,412,930.34
Lease Receivable (Note 4)	48,215.92		48,215.92
Internal Balances	81,060.00	(81,060.00)	
Inventories		9,994.53	9,994.53
Restricted Cash and Cash Equivalents:			
For Student Activity/Parent Unit	98,259.68		98,259.68
Deposits Held for Restricted Reserves	3,000,000.00		3,000,000.00
Deposits Held for Debt Service	1,146,586.09		1,146,586.09
Deposits Held for Capital Projects	1,055,781.84		1,055,781.84
Noncurrent Assets:			
Restricted Cash - Deposits Held for Long-Term Reserves	304,713.67		304,713.67
Lease Receivable (Note 4)	1,861,897.97		1,861,897.97
Capital Assets, net (Note 6)	31,087,465.43	235,078.88	31,322,544.31
Total Assets	53,849,275.68	731,187.32	54,580,463.00
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,688,309.00		1,688,309.00
LIABILITIES:			
Current Liabilities:			
Accounts Payable:			
Other	1,086,872.84	280,034.70	1,366,907.54
Related to Pensions	569,225.00		569,225.00
Payable to State Government	11,803.00		11,803.00
Payable to Local Government	4,442.00		4,442.00
Unearned Revenue	128,088.39		128,088.39
Accrued Interest Payable	194,968.01		194,968.01
Noncurrent Liabilities (Note 7):			
Due within One Year	1,388,382.29		1,388,382.29
Due beyond One Year	29,180,895.04		29,180,895.04
Total Liabilities	32,564,676.57	280,034.70	32,844,711.27
DEFERRED INFLOWS OF RESOURCES:			
Related to Leases	1,362,682.36		1,362,682.36
Related to Pensions (Note 8)	3,156,007.00		3,156,007.00
Total Deferred Inflows of Resources	4,518,689.36		4,518,689.36
NET POSITION:			
Net Investment in Capital Assets	9,236,216.26	235,078.88	9,471,295.14
Restricted for:			
Debt Service	967,345.65		967,345.65
Capital Projects	225,409.81		225,409.81
Student Activity/ Parent Unit	93,658.08		93,658.08
Local Grants	175,652.93		175,652.93
Other Purposes	1,304,713.67		1,304,713.67
Unrestricted	6,451,222.35	216,073.74	6,667,296.09
Total Net Position	\$ 18,454,218.75	\$ 451,152.62	\$ 18,905,371.37

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, 2023

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	\$ 10,099,475.24		\$ 2,615,021.42		\$ (7,484,453.82)		\$ (7,484,453.82)
Special Education Instruction	626,083.33				(626,083.33)		(626,083.33)
Bilingual Education Instruction	253,652.93				(253,652.93)		(253,652.93)
School Sponsored Extra Curricular Activities Instruction	41,310.84				(41,310.84)		(41,310.84)
School Sponsored Athletics Instruction	110,794.75				(110,794.75)		(110,794.75)
Community Service Programs	650,699.57				(650,699.57)		(650,699.57)
Support Services and Undistributed Costs:							
Student and Instruction Related Services	4,273,570.83	\$ 111,339.88	2,783,231.46	\$ 517,645.35	(861,354.14)		(861,354.14)
School Administrative Services	990,448.60				(990,448.60)		(990,448.60)
General and Other Administrative Services	2,579,997.56				(2,579,997.56)		(2,579,997.56)
Plant Operations and Maintenance	1,784,503.10				(1,784,503.10)		(1,784,503.10)
Pupil Transportation	958,652.28				(958,652.28)		(958,652.28)
Unallocated Benefits	6,810,552.17		4,707,338.69		(2,103,213.48)		(2,103,213.48)
Interest on Long-Term Debt	1,176,669.60				(1,176,669.60)		(1,176,669.60)
Total Governmental Activities	30,356,410.80	111,339.88	10,105,591.57	517,645.35	(19,621,834.00)		(19,621,834.00)
Business-Type Activities:							
Food Service	1,934,492.04	265,905.56	1,465,622.99			\$ (202,963.49)	(202,963.49)
Total Business-Type Activities	1,934,492.04	265,905.56	1,465,622.99			(202,963.49)	(202,963.49)
Total Government	\$ 32,290,902.84	\$ 377,245.44	\$ 11,571,214.56	\$ 517,645.35	(19,621,834.00)	(202,963.49)	(19,824,797.49)
General Revenues:							
Charter School Aid					24,138,995.00		24,138,995.00
State and Federal Aid - Not Restricted					85,130.46		85,130.46
Investment Earnings					189,416.18	6,506.73	195,922.91
Restricted Investment Earnings					36,820.84		36,820.84
Lease Interest Revenue					70,983.93		70,983.93
Lease Revenue					72,601.20		72,601.20
Miscellaneous Income					2,133,177.95		2,133,177.95
Loss on Disposal of Capital Assets					(7,020.00)	(660.00)	(7,680.00)
Total General Revenues					26,720,105.56	5,846.73	26,725,952.29
Change in Net Position					7,098,271.56	(197,116.76)	6,901,154.80
Net Position -- July 1					11,327,357.03	648,269.38	11,975,626.41
Prior Period Adjustment (Note 18)					28,590.16		28,590.16
Net Position -- July 1 (Restated)					11,355,947.19	648,269.38	12,004,216.57
Net Position -- June 30					\$ 18,454,218.75	\$ 451,152.62	\$ 18,905,371.37

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 12,117,215.76	\$ 98,259.68	\$ 55,781.84	\$ 12,271,257.28
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	75,536.03			75,536.03
Deposits Held for Long-Term Reserves	75,000.00			75,000.00
Due from Other Funds:				
Special Revenue Fund	881,232.98			881,232.98
Capital Project Fund				
Food Service Enterprise Fund	81,060.00			81,060.00
Intergovernmental Accounts Receivable:				
Federal		1,554,740.74		1,554,740.74
State	36,897.46	29,116.00		66,013.46
Other LEAs - State Aid	341,401.80			341,401.80
Accounts Receivable - Other	341,466.50	6,222.92		347,689.42
Total Assets	\$ 16,949,810.53	\$ 1,688,339.34	\$ 1,055,781.84	\$ 19,693,931.71
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 433,361.26	\$ 409,706.96		\$ 843,068.22
Payroll Deductions and Withholdings	243,804.62			243,804.62
Payable to Other Funds:				
General Fund		881,232.98		881,232.98
Intergovernmental Accounts Payable:				
State Government	11,803.00			11,803.00
Other LEAs - State Aid	4,442.00			4,442.00
Unearned Revenue		128,088.39		128,088.39
Total Liabilities	693,410.88	1,419,028.33		2,112,439.21
Fund Balances:				
Restricted:				
Debt Service Reserve	75,536.03			75,536.03
Charter School Escrow Reserve	75,000.00			75,000.00
Other Restricted Reserves	3,000,000.00			3,000,000.00
Special Revenue Fund		175,652.93		175,652.93
Capital Projects			\$ 1,055,781.84	1,055,781.84
Student Activity/ Parent Unit Fund		93,658.08		93,658.08
Committed - Future Capital Outlays	2,000,000.00			2,000,000.00
Assigned:				
Other Purposes	106,800.00			106,800.00
Unassigned:				
General Fund	10,999,063.62			10,999,063.62
Total Fund Balances	16,256,399.65	269,311.01	1,055,781.84	17,581,492.50
Total Liabilities and Fund Balances	\$ 16,949,810.53	\$ 1,688,339.34	\$ 1,055,781.84	

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 \$54,920,449.12, and the accumulated depreciation and amortization is \$23,832,983.69.

31,087,465.43

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

(194,968.01)

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

(24,850,653.33)

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
 Governmental Funds
 Balance Sheet
 June 30, 2023

	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	\$ 2,045,220.55
Accounts Receivable	1,903,890.97
Deferred Inflows of Resources Related to Lease Revenue	(1,362,682.36)
Net Pension Liability	(5,718,624.00)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.	(569,225.00)
Deferred Outflows of Resources - Related to Pensions	1,688,309.00
Deferred Inflows of Resources - Related to Pensions	<u>(3,156,007.00)</u>
Net position of governmental activities	<u>\$ 18,454,218.75</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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources	\$ 2,245,821.67	\$ 343,179.51		\$ 2,589,001.18
State Sources	28,237,322.19	227,407.61		28,464,729.80
Federal Sources	42,357.46	6,317,988.49		6,360,345.95
Total Revenues	30,525,501.32	6,888,575.61		37,414,076.93
EXPENDITURES:				
Current:				
Regular Instruction	6,377,148.12	2,589,368.49		8,966,516.61
Special Education Instruction	626,083.33			626,083.33
Bilingual Education Instruction	253,652.93			253,652.93
School Sponsored Extra Curricular Activities Instruction	41,310.84			41,310.84
School Sponsored Athletics Instruction	110,794.75			110,794.75
Community Service Programs	660,402.12			660,402.12
Support Services and Undistributed Costs:				
Student and Instruction Related Services	1,388,053.59	2,872,037.64		4,260,091.23
School Administrative Services	969,088.14			969,088.14
General and Other Administrative Services	2,329,670.78			2,329,670.78
Plant Operations and Maintenance	2,805,927.74			2,805,927.74
Pupil Transportation	775,574.42			775,574.42
Employee Benefits	2,755,155.91	861,337.50		3,616,493.41
TPAF Pension and Social Security	4,055,554.19			4,055,554.19
Debt Service:				
Lease Liability Principal	133,352.32			133,352.32
Financed Purchases Principal	15,549.98			15,549.98
SBITA Principal	112,126.84			112,126.84
Bonds and Loan Principal	660,230.80			660,230.80
Lease Liability Interest	9,500.96			9,500.96
Interest on Financed Purchases	215.02			215.02
SBITA Interest	12,622.91			12,622.91
Bond and Loan Interest	259,993.04			259,993.04
Capital Outlay	543,541.67	517,645.35	\$ 24,590.19	1,085,777.21
Total Expenditures	24,895,550.40	6,840,388.98	24,590.19	31,760,529.57
Excess (Deficiency) of Revenues over Expenditures	5,629,950.92	48,186.63	(24,590.19)	5,653,547.36
OTHER FINANCING SOURCES (USES):				
Assets Acquired by Lease	37,445.18			37,445.18
SBITAs (non-budgeted)	108,908.13			108,908.13
Capital Outlay Transfer to Capital Projects Fund	(250,000.00)		250,000.00	
Total Other Financing Sources and Uses	(103,646.69)		250,000.00	146,353.31
Net Change in Fund Balances	5,526,304.23	48,186.63	225,409.81	5,799,900.67
Fund Balance -- July 1	10,730,095.42	221,124.38	830,372.03	11,781,591.83
Fund Balance -- June 30	\$ 16,256,399.65	\$ 269,311.01	\$ 1,055,781.84	\$ 17,581,492.50

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, 2023

Total Net Change in Fund Balances - Governmental Funds		\$ 5,799,900.67
<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 and amortization in the period.</p>		
Depreciation and Amortization Expense		\$ (1,808,546.49)
Capital Outlays (B-2)		<u>1,085,777.21</u>
		(722,769.28)
<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>		
		921,259.94
<p>The issuance of long-term debt (e.g., bonds, loans, financed purchases, leases and subscriptions) 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>		
		(146,353.31)
<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>		
		(894,337.67)
<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>		
		53,847.52
<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>		
		1,451,808.66
<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>		
		(10,772.97)
<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>652,708.00</u>
Change in Net Position of Governmental Activities		<u>\$ 7,098,271.56</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, 2023

	Business-Type Activities <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash	\$ 457,866.07
Accounts Receivable	42,693.40
Intergovernmental Accounts Receivable:	
State	2,180.45
Federal	64,433.99
Inventories	<u>9,994.53</u>
Total Current Assets	<u>577,168.44</u>
Noncurrent Assets:	
Equipment	649,119.53
Less Accumulated Depreciation	<u>(414,040.65)</u>
Total Noncurrent Assets	<u>235,078.88</u>
Total Assets	<u>812,247.32</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	280,034.70
Interfund Accounts Payable:	
Due to General Fund	<u>81,060.00</u>
Total Current Liabilities	<u>361,094.70</u>
NET POSITION:	
Net Investment in Capital Assets	235,078.88
Unrestricted	<u>216,073.74</u>
Total Net Position	<u><u>\$ 451,152.62</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, 2023

	<u>Business-Type Activities Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 5,006.81
Daily Sales - Non-Reimbursable Programs	21,249.50
Rutgers - ELRA Contract	239,067.40
Miscellaneous Revenue	581.85
	<u>265,905.56</u>
OPERATING EXPENSES:	
Salaries	804,090.99
Employee Benefits	127,785.61
Purchased Professional and Technical Services	720.00
Other Purchased Services	83,596.52
Cleaning, Repair and Maintenance Services	9,327.07
General Supplies	143,237.04
Depreciation	39,554.96
Cost of Sales - Reimbursable Programs	639,678.85
Cost of Sales - Nonreimbursable Programs	86,501.00
	<u>1,934,492.04</u>
Total Operating Expenses	<u>1,934,492.04</u>
Operating Income (Loss)	<u>(1,668,586.48)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	23,521.99
State School Breakfast Program	5,043.60
State School Breakfast After the Bell	15,503.40
Federal Sources:	
National School Lunch Program	852,581.57
National School Lunch Program - After School Snack Program	43,094.16
National School Lunch Program - Supply Chain Assistance	49,348.52
School Breakfast Program	376,670.51
Food Distribution Program	99,859.24
Interest and Investment Revenue	6,506.73
Loss on Disposal of Capital Assets	(660.00)
	<u>1,471,469.72</u>
Total Nonoperating Revenues (Expenses)	<u>1,471,469.72</u>
Change in Net Position	(197,116.76)
Net Position -- July 1	<u>648,269.38</u>
Net Position -- June 30	<u>\$ 451,152.62</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, 2023

	Business-Type Activities Enterprise Fund
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 202,899.34
Payments to Employees	(804,090.99)
Payments for Employee Benefits	(127,785.61)
Payments to Suppliers	(616,815.52)
	(1,345,792.78)
Net Cash Provided by (used for) Operating Activities	(1,345,792.78)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	43,635.32
Federal Sources	1,406,308.32
	1,449,943.64
Net Cash Provided by (used for) Non-Capital Financing Activities	1,449,943.64
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	(73,495.31)
	(73,495.31)
Net Cash Provided by (used for) Capital and Related Financing Activities	(73,495.31)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	6,506.73
	6,506.73
Net Cash Provided by (used for) Investing Activities	6,506.73
Net Increase (Decrease) in Cash and Cash Equivalents	37,162.28
Balance -- July 1	420,703.79
Balance -- June 30	\$ 457,866.07
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,668,586.48)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	39,554.96
Food Distribution Program	99,859.24
(Increase) Decrease in Accounts Receivable, net	(63,006.22)
(Increase) Decrease in Inventories	(5,889.93)
Increase (Decrease) in Accounts Payable	252,275.65
	322,793.70
Total Adjustments	322,793.70
Net Cash Provided by (used for) Operating Activities	\$ (1,345,792.78)

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, 2023

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, 2023, of 1,576.

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, 2023. The Charter School had no prepaid expenses for the fiscal year ended June 30, 2023.

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.

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 and subscription 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. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription 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 subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation 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 using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the Charter School's capital assets are as follows:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities 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
Subscription Assets	2-5 Years	N/A

The Charter School does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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, defined benefit pension plans, and postemployment benefit plans.

Unearned Revenue

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

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, 2023, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

Bond Discounts / Premiums

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

Net Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, 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.

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

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

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

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

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

Interfund Activity

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

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

Because of the implementation of GASB Statement No. 96, the Charter School has reported and disclosed subscription assets and subscription liabilities in accordance with the Statement (notes 6 and 7).

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, 2023, the Charter School's bank balances of \$19,790,741.71 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 18,541,925.85
Uninsured and Uncollateralized	<u>1,248,815.86</u>
Total	<u><u>\$ 19,790,741.71</u></u>

Note 3: ACCOUNTS RECEIVABLE

Accounts Receivable at June 30, 2023, consisted of accounts (fees for services), and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 1,554,740.74	\$ 1,554,740.74	\$ 64,433.99	\$ 64,433.99	\$ 1,619,174.73
State Awards	\$ 36,897.46	29,116.00	66,013.46	2,180.45	2,180.45	68,193.91
Local - LEA	341,401.80		341,401.80			341,401.80
Other	341,466.50		341,466.50	42,693.40	42,693.40	384,159.90
Total Receivables	<u>\$ 719,765.76</u>	<u>\$ 1,583,856.74</u>	<u>\$ 2,303,622.50</u>	<u>\$ 109,307.84</u>	<u>\$ 109,307.84</u>	<u>\$ 2,412,930.34</u>

Note 4: LEASES RECEIVABLE

The Charter School is reporting leases receivable of \$1,910,113.89 at June 30, 2023. The Charter School reported lease revenue of \$72,601.20 and lease interest revenue of \$70,983.93 related to lease payments received during the fiscal year ended June 30, 2023. These leases are summarized as follows:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Premises for Cell Towers	<u>\$ 1,910,113.89</u>	<u>\$ 72,601.20</u>	<u>\$ 70,983.93</u>

Leases receivable of \$1,861,897.97 will not be collected within one year based on the schedule of lease payments for each lease disclosed below.

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 months 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 5: INVENTORY

Inventory recorded at June 30, 2023, in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Supplies	\$ 2,646.56
Food	<u>7,347.97</u>
	<u>\$ 9,994.53</u>

Note 6: CAPITAL ASSETS

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

	(Restated) Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 2,183,511.00			\$ 2,183,511.00
Construction in Progress	181,347.97	\$ 259,392.19		440,740.16
Total Capital Assets, not being Depreciated	2,364,858.97	259,392.19		2,624,251.16
Capital Assets, being Depreciated:				
Buildings and Improvements	42,553,959.71	370,404.60		42,924,364.31
Equipment	6,969,044.78	309,627.11	\$ (139,883.00)	7,138,788.89
Vehicles	1,159,424.68			1,159,424.68
Total Capital Assets, being Depreciated	50,682,429.17	680,031.71	(139,883.00)	51,222,577.88
Total Capital Assets, Cost	53,047,288.14	939,423.90	(139,883.00)	53,846,829.04
Less Accumulated Depreciation:				
Buildings and Improvements	(16,002,978.00)	(1,150,097.09)		(17,153,075.09)
Equipment	(5,425,167.00)	(339,880.00)	132,863.00	(5,632,184.00)
Vehicles	(380,429.00)	(85,852.00)		(466,281.00)
Total Accumulated Depreciation	(21,808,574.00)	(1,575,829.09)	132,863.00	(23,251,540.09)
Total Capital Assets, being Depreciated, net Excluding Lease and Subscription Assets	28,873,855.17	(895,797.38)	(7,020.00)	27,971,037.79
Total Capital Assets, net Excluding Lease and Subscription Assets	31,238,714.14	(636,405.19)	(7,020.00)	30,595,288.95
Lease Assets:				
Equipment	209,210.00	37,445.18		246,655.18
Vehicles	408,903.50			408,903.50
Total Lease Assets	618,113.50	37,445.18		655,558.68
Less Accumulated Amortization:				
Lease Assets:				
Equipment	(83,467.28)	\$ (49,493.76)		(132,961.04)
Vehicles	(237,154.08)	(81,780.60)		(318,934.68)
Total Accumulated Amortization	(320,621.36)	(131,274.36)		(451,895.72)
Total Lease Assets, net	297,492.14	(93,829.18)		203,662.96
Subscription Assets	309,153.27	108,908.13		418,061.40
Less Accumulated Amortization:				
Subscription Assets	(28,104.84)	(101,443.04)		(129,547.88)
Total Subscription Assets, net	281,048.43	7,465.09		288,513.52
Governmental Activities Capital Assets, net	\$ 31,817,254.71	\$ (722,769.28)	\$ (7,020.00)	\$ 31,087,465.43

Note 6: CAPITAL ASSETS (CONT'D)

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 588,806.22	\$ 73,495.31	\$ (13,182.00)	\$ 649,119.53
Total Capital Assets, being Depreciated	588,806.22	73,495.31	(13,182.00)	649,119.53
Total Capital Assets, Cost	588,806.22	73,495.31	(13,182.00)	649,119.53
Less Accumulated Depreciation for:				
Equipment	(387,007.69)	(39,554.96)	12,522.00	(414,040.65)
Total Accumulated Depreciation	(387,007.69)	(39,554.96)	12,522.00	(414,040.65)
Total Capital Assets, being Depreciated, net	201,798.53	33,940.35	(660.00)	235,078.88
Business-Type Activities Capital Assets, net	\$ 201,798.53	\$ 33,940.35	\$ (660.00)	\$ 235,078.88

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

Governmental Activities:	
Instruction	\$ 1,132,958.63
Community Service Programs	1,407.00
Student and Instruction Related Services	11,914.00
School Administrative Services	63,863.76
General and Other Administrative Services	64,694.81
Plant Operations and Maintenance	355,399.69
Transportation	178,308.60
	<u>178,308.60</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 1,808,546.49</u>
Business-Type Activities:	
Food Service	\$ 39,554.96
	<u>39,554.96</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 39,554.96</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
LEAP Academy University Charter School, Inc.					
Bonds Payable:					
General Obligation Bonds	\$ 3,088,446.79		\$ (465,593.84)	\$ 2,622,852.95	\$ 476,143.20
Total Bonds Payable	<u>3,088,446.79</u>		<u>(465,593.84)</u>	<u>2,622,852.95</u>	<u>476,143.20</u>
Other Liabilities:					
Loans Payable	5,033,889.74		(194,636.96)	4,839,252.78	201,959.32
Financed Purchases	20,805.37		(20,805.37)		
Compensated Absences	158,259.16	\$ 54,388.20	(43,615.23)	169,032.13	36,953.98
Net Pension Liability	5,076,313.00	6,132,652.00	(5,490,341.00)	5,718,624.00	
Total Other Liabilities	<u>10,289,267.27</u>	<u>6,187,040.20</u>	<u>(5,749,398.56)</u>	<u>10,726,908.91</u>	<u>238,913.30</u>
Lease and Subscription Liabilities:					
Lease Liabilities:					
Bus Leases	180,578.94		(84,335.00)	96,243.94	72,473.38
Copier Leases	127,968.13	37,445.18	(48,615.58)	116,797.73	49,904.77
Postage Machine Lease	955.20		(401.74)	553.46	413.16
Total Lease Liabilities	<u>309,502.27</u>	<u>37,445.18</u>	<u>(133,352.32)</u>	<u>213,595.13</u>	<u>122,791.31</u>
Subscription Liabilities	<u>252,458.27</u>	<u>108,908.13</u>	<u>(112,126.84)</u>	<u>249,239.56</u>	<u>69,141.20</u>
Total Lease and Subscription Liabilities	<u>561,960.54</u>	<u>146,353.31</u>	<u>(245,479.16)</u>	<u>462,834.69</u>	<u>191,932.51</u>
Total Charter School	<u>13,939,674.60</u>	<u>6,333,393.51</u>	<u>(6,460,471.56)</u>	<u>13,812,596.55</u>	<u>906,989.01</u>
LEAP Cramer Hill, LLC (Component Unit):					
Bonds Payable:					
Charter School Revenue Bonds:					
Series 2014A Tax Exempt	9,500,000.00			9,500,000.00	35,000.00
Series 2014B Taxable	255,000.00		(140,000.00)	115,000.00	115,000.00
Add Amount:					
Issuance Premium	6,394.26		(228.37)	6,165.89	
Total Bonds Payable	<u>9,761,394.26</u>		<u>(140,228.37)</u>	<u>9,621,165.89</u>	<u>150,000.00</u>
Other Liabilities:					
Financed Purchase	20,597.07		(20,597.07)		
Total Other Liabilities	<u>20,597.07</u>		<u>(20,597.07)</u>		
Total LEAP Cramer Hill, LLC.	<u>9,781,991.33</u>		<u>(160,825.44)</u>	<u>9,621,165.89</u>	<u>150,000.00</u>

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

	(Restated) Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities (Cont'd):					
LEAP STEM, LLC (Component Unit):					
Bonds Payable:					
Series 2018 Tax Exempt	\$ 6,846,045.67		\$ (205,343.69)	\$ 6,640,701.98	\$ 213,083.09
Total Bonds Payable	<u>6,846,045.67</u>		<u>(205,343.69)</u>	<u>6,640,701.98</u>	<u>213,083.09</u>
Total LEAP STEM, LLC.	<u>6,846,045.67</u>		<u>(205,343.69)</u>	<u>6,640,701.98</u>	<u>213,083.09</u>
LEAP Student Transportation, LLC (Component Unit):					
Other Liabilities:					
Financed Purchase	\$ 607,364.75		(112,551.84)	494,812.91	118,310.19
Total Other Liabilities	<u>607,364.75</u>		<u>(112,551.84)</u>	<u>494,812.91</u>	<u>118,310.19</u>
Total LEAP Student Transportation, LLC.	<u>607,364.75</u>		<u>(112,551.84)</u>	<u>494,812.91</u>	<u>118,310.19</u>
Governmental Activities					
Long-term Liabilities	<u>\$ 31,175,076.35</u>	<u>\$ 6,333,393.51</u>	<u>\$ (6,939,192.53)</u>	<u>\$ 30,569,277.33</u>	<u>\$ 1,388,382.29</u>

The bonds payable, loans payable, financed purchases, lease liabilities, subscription liabilities, 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 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 September 29, 2014, LEAP Cramer Hill, LLC, of which LEAP Academy University Charter School, Inc. is the sole member, issued \$10,000,000.00 in New Jersey Economic Development Authority Charter School Revenue Bonds at interest rates varying from 5.125% to 8.00%. The bond issuance consists of \$9,500,000.00 Series 2014A (Tax-Exempt) and \$500,000.00 Series 2014B (Taxable) bonds. The proceeds were used for (i) retrofitting a 12-story, approximately 73,000 square foot building to be used as a Pre K-12 school facility, (ii) refinancing a portion of a commercial loan used to acquire the building, (iii) funding capitalized interest on the Bonds during the construction period, (iv) funding a debt service fund, and (v) funding the costs of issuing the bonds.

The payment of interest began during the fiscal year ended June 30, 2015; however, the first payment of principal was October 1, 2020. The final maturity of the taxable bonds is October 1, 2023, and the final maturity for the tax-exempt bonds is October 1, 2049.

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

On 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
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	520,731.79	9,296.94	530,028.73
2029	131,912.57	406.89	132,319.46
	<u>2,622,852.95</u>	<u>159,610.17</u>	<u>2,782,463.12</u>

Fiscal Year Ending June 30,	LEAP Cramer Hill, LLC (Component Unit)		
	Principal	Interest	Total
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	190,000.00	548,580.00	738,580.00
2029-2033	1,125,000.00	3,905,340.00	5,030,340.00
2034-2038	1,505,000.00	2,159,750.00	3,664,750.00
2039-2043	2,030,000.00	1,616,030.00	3,646,030.00
2044-2048	2,750,000.00	878,465.00	3,628,465.00
2049-2050	1,350,000.00	86,310.00	1,436,310.00
	<u>9,615,000.00</u>	<u>11,493,076.26</u>	<u>21,108,076.26</u>

(Continued)

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

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

Fiscal Year <u>Ending June 30,</u>	LEAP STEM, LLC (Component Unit)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 213,083.09	\$ 263,839.36	\$ 476,922.45
2025	222,588.18	254,334.27	476,922.45
2026	231,761.64	245,160.80	476,922.44
2027	241,313.16	235,609.28	476,922.44
2028	250,639.49	226,282.94	476,922.43
2029-2033	1,419,765.59	964,846.60	2,384,612.19
2034-2038	1,737,591.65	647,020.60	2,384,612.25
2039-2043	2,126,635.95	258,036.22	2,384,672.17
2044	197,323.23	1,334.45	198,657.68
	<u>6,640,701.98</u>	<u>3,096,464.52</u>	<u>9,737,166.50</u>
Totals	<u>\$ 18,878,554.93</u>	<u>\$ 14,749,150.95</u>	<u>\$ 33,627,705.88</u>

Bonds Authorized but not Issued - As of June 30, 2023, the Charter School had no authorizations to issue additional bonded debt.

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 <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 201,959.32	\$ 188,235.80	\$ 390,195.12
2025	210,606.35	179,588.77	390,195.12
2026	4,426,687.11	14,386.73	4,441,073.84
	<u>\$ 4,839,252.78</u>	<u>\$ 382,211.30</u>	<u>\$ 5,221,464.08</u>

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

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

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.

Fiscal Year Ending June 30,	LEAP Student Transportation, LLC (Component Unit)		
	Principal	Interest	Total
2024	\$ 118,310.19	\$ 22,053.81	\$ 140,364.00
2025	376,502.71	22,588.29	399,091.00
	<u>\$ 494,812.90</u>	<u>\$ 44,642.10</u>	<u>\$ 539,455.00</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the Charter School's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. 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.

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

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.

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.

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

Lease Liabilities (Cont'd) - The Charter School leased copiers beginning on July 1, 2022, 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, 2027, the Charter School can purchase the copiers at fair market value, return the equipment or agree to extend the lease for one more year.

Annual requirements to amortize lease obligations and related interest are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 122,791.31	\$ 5,061.97	\$ 127,853.28
2025	75,231.04	1,412.00	76,643.04
2026	7,677.52	338.00	8,015.52
2027	7,895.26	120.26	8,015.52
Total	<u>\$ 213,595.13</u>	<u>\$ 6,932.23</u>	<u>\$ 220,527.36</u>

Lease liabilities are amortized in a manner consistent with the Charter School's depreciation policy for owned assets.

Subscription Liabilities - The Charter School's payments on subscription liabilities are budgeted and paid from the general fund and the special revenue fund on an annual basis.

The Charter School has entered into the following subscription-based information technology arrangements (SBITAs):

Learning Platform - The learning platform is a two-year agreement, initiated in fiscal year 2023. The full cost of \$17,418.56 for the two years was paid on July 1, 2022.

Student Information System - This agreement began on January 1, 2022, where the Charter School paid implementation costs of \$56,695.00. On July 1, 2022, the Charter School paid the annual subscription cost of \$48,782.52 and additional costs for training of \$20,400.00. The annual subscription cost is due each year on July 1st and subject to a 3% increase annually. The Charter School has imputed an interest rate of 5% to determine the present value of the intangible right-to-use asset and SBITA liability.

Language Learning Software - The language learning software agreement is a fourteen-month agreement, initiated in fiscal year 2023. The full cost of \$12,461.67 for the agreement was paid on July 1, 2022.

Special Education Software Platform - This three-year agreement was initiated in fiscal year 2023 with an annual payment of \$28,687.00. The Charter School has imputed an interest rate of 5% to determine the present value of the intangible right-to-use asset and SBITA liability.

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 69,141.20	\$ 12,461.98	\$ 81,603.18
2025	74,185.75	9,004.92	83,190.67
2026	50,843.15	5,295.63	56,138.78
2027	55,069.47	2,753.47	57,822.94
Total	<u>\$ 249,239.57</u>	<u>\$ 29,516.00</u>	<u>\$ 278,755.57</u>

Note 8: 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 8: 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 8: 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 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more 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, 2023, was 35.75% 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, 2023, 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, 2022, the State's contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2023, was \$2,928,736.00, and was paid by April 1, 2023. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2022, were \$641,115.40.

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 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2023, was 15.96% of the Charter School's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Charter School's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023, was \$477,653.00, and was paid by April 1, 2023. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2023, were \$277,991.45.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Charter School, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023, was .34% of the Charter School's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2023, was \$12,032.00.

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, 2023, employee contributions totaled \$27,344.71, and the Charter School recognized pension expense, which equaled the required contributions, of \$14,915.30. There were no forfeitures during the fiscal year.

Note 8: PENSION PLANS (CONT'D)**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, 2023, 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:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	36,104,505.00
	<u>\$ 36,104,505.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022, 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, 2022 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 0.0699775431%, which was an increase of 0.0055513652% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the Charter School, calculated by the Plan as of June 30, 2022, measurement date, was \$971,673.00. This on-behalf expense has been recognized by the Charter School in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date, the Charter School reported a liability of \$5718,624.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. 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, 2022, measurement date, the Charter School's proportion was 0.0378933230%, which was a decrease of (0.0049574197%) from its proportion measured as of June 30, 2021.

Note 8: 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)**

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the Charter School recognized pension (benefit) expense of (\$174,8558.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022, measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the Charter School, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022, measurement date, was \$12,032.00. This on-behalf expense has been recognized by the Charter School in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2023, 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	\$ 41,274.00	\$ 36,398.00
Changes of Assumptions	17,718.00	856,304.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	236,689.00	
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	823,403.00	2,263,305.00
Contributions Subsequent to the Measurement Date	569,225.00	
	<u>\$ 1,688,309.00</u>	<u>\$ 3,156,007.00</u>

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$569,225.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024.

Note 8: 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)

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$569,225.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. 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>	
2024	\$ (2,693,304.00)
2025	1,401,681.00
2026	(758,798.00)
2027	21,568.00
2028	(8,070.00)
	<u>\$ (2,036,923.00)</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>Deferred</u>		<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>		<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>		<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. 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:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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.

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, 2022 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.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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, 2022, measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	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, 2022. 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.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

Note 8: PENSION PLANS (CONT'D)**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, 2022, 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, 2022 (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%)
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	42,333,299.00	36,104,505.00	30,857,528.00
	<u>\$ 42,333,299.00</u>	<u>\$ 36,104,505.00</u>	<u>\$ 30,857,528.00</u>

Public Employees' Retirement System (PERS) - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2022, 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%)
Proportionate Share of the Net Pension Liability	\$ 7,346,757.00	\$ 5,718,624.00	\$ 4,333,018.00

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

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

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

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

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

Employees Covered by Benefit Terms - At June 30, 2022, 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	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,817</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****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, 2023, was \$15,568,146.00. 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, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022, measurement date, the State's proportionate share of the non-employer OPEB liability associated with the Charter School was .0307388613%, which was an increase of 0.0000438087% from its proportion measured as of June 30, 2021.

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, 2021, which was rolled forward to June 30, 2022, 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	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Mortality Rates - Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) 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, 2021, valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018, to June 30, 2021, for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) –**

Discount Rate - The discount rate for June 30, 2022, measurement date was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

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

Balance at June 30, 2022		\$ 18,419,380.00
Changes for the Year:		
Service Cost	\$ 2,404,468.00	
Interest Cost	412,573.00	
Changes in Benefit Terms		
Difference between Expected and Actual Experience	(1,096,424.00)	
Changes in Assumptions	(4,176,295.00)	
Member Contributions	13,110.00	
Gross Benefit Payments	(408,666.00)	
		<u>(2,851,234.00)</u>
Net Changes		<u>(2,851,234.00)</u>
Balance at June 30, 2023		<u>\$ 15,568,146.00</u>

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021, to June 30, 2022, due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021, to June 30, 2022, is due to the combined effect of the discount rate change, and changes in the trend, and experience study.

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, 2022, associated with the Charter School, using a discount rate of 3.54%, 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>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 18,298,718.00</u>	<u>\$ 15,568,146.00</u>	<u>\$ 13,379,729.00</u>

Note 9: 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, 2022, 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 Employer	\$ 12,868,024.00	\$ 15,568,146.00	\$ 19,114,920.00

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, 2023, the Charter School recognized \$2,220,866.00 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, 2022, 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, 2023, 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	\$ 2,779,532.00	\$ 4,753,135.00
Changes of Assumptions	2,694,452.00	5,298,546.00
Changes in Proportion	2,499,192.00	1,178,702.00
	<u>\$ 7,973,176.00</u>	<u>\$ 11,230,383.00</u>

Note 9: 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,	
2024	\$ (594,459.00)
2025	(594,459.00)
2026	(594,459.00)
2027	(526,760.00)
2028	(156,195.00)
Thereafter	<u>(790,875.00)</u>
	<u>\$ (3,257,207.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, 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 \$2,666,834.00, \$36,999.00, \$710,291, and \$2,304.00, respectively.

Note 11: 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, 2023, which can be obtained from:

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

Note 12: 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 13: 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, 2023, the liability for compensated absences reported on the government-wide statement of net position was \$169,032.13.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2023, is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 962,292.98	
Special Revenue Fund		\$ 881,232.98
Proprietary Fund		81,060.00
	<u>\$ 962,292.98</u>	<u>\$ 962,292.98</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the Charter School expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers – During the fiscal year, the Charter School budgeted capital outlay to fund its existing capital project, the LEAP Social Enterprise Rich Center in the Capital Projects Fund.

<u>Transfer Out:</u>	<u>Transfer In: Capital Projects Fund</u>
General Fund	<u>\$ 250,000.00</u>

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: 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 17: FUND BALANCES**RESTRICTED**

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

General Fund

For Debt Service - In accordance with the Charter School's debt service agreements, amounts have been restricted for future debt service of \$75,536.03.

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, 2023, 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, 2023, the Other Restricted Reserves for this purpose are \$3,000,000.00.

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, 2023 in the amount of \$175,652.93.

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, 2023, is \$93,658.08.

Note 17: FUND BALANCES (CONT'D)**RESTRICTED**

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. In addition, during the fiscal year, this project was funded by an appropriation in the General Fund for \$250,000.00. As of June 30, 2023, the restricted fund balance amount was \$1,055,781.84.

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, 2023, 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, 2023, the Charter School had \$106,800.00 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, 2023, \$10,999,063.62 of general fund balance was unassigned.

Note 18: RESTATEMENT OF PRIOR PERIOD NET POSITION

For the fiscal year ended June 30, 2023, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, net position as of July 1, 2022, has been restated. The following table illustrates the restatement:

	Governmental <u>Activities</u>
Beginning Net Position as Previously Reported at July 1, 2022	\$ 11,327,357.03
Prior Period Adjustment(s):	
Implementation of GASB Statement No. 96:	
Increase Capital Assets, net:	
Subscription Assets	\$ 309,153.27
Accumulated Amortization	<u>(28,104.84)</u>
	\$ 281,048.43
Increase Noncurrent Liabilities:	
Subscription Liabilities	<u>(252,458.27)</u>
Total Prior Period Adjustments	<u>28,590.16</u>
Net Position as Restated, July 1, 2022	<u><u>\$ 11,355,947.19</u></u>

**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, 2023

	<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	\$ 250,732.16		\$ 250,732.16	\$ 254,573.96	\$ 3,841.80
Revenue from Clinic				273,679.09	273,679.09
Transportation				216,218.40	216,218.40
Miscellaneous Revenue				1,322,179.31	1,322,179.31
Restricted Interest Income				1,175.25	1,175.25
Interest and Other Revenue				177,995.66	177,995.66
	<u>250,732.16</u>		<u>250,732.16</u>	<u>2,245,821.67</u>	<u>1,995,089.51</u>
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
State and Local Share	23,366,490.00	\$ (362,717.00)	23,003,773.00	23,003,773.00	
Total - Local Levy/Equalization Aid	<u>23,366,490.00</u>	<u>(362,717.00)</u>	<u>23,003,773.00</u>	<u>23,003,773.00</u>	
Categorical Aid:					
Special Education Aid	453,591.00	(93,570.00)	360,021.00	360,021.00	
Security Aid	782,296.00	(7,095.00)	775,201.00	775,201.00	
Total Categorical Aid	<u>1,235,887.00</u>	<u>(100,665.00)</u>	<u>1,135,222.00</u>	<u>1,135,222.00</u>	
Total Charter School Aid	<u>24,602,377.00</u>	<u>(463,382.00)</u>	<u>24,138,995.00</u>	<u>24,138,995.00</u>	
Other State Sources:					
Non-Public State Aid	40,813.00	(11,803.00)	29,010.00	29,010.00	
Extraordinary Aid				12,798.00	12,798.00
Lead Testing for Schools				965.00	965.00

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>REVENUES (CONT'D)</u>					
Other State Sources (Cont'd):					
On-behalf Contributions:					
T.P.A.F. Post-Retirement Medical				\$ 710,291.00	\$ 710,291.00
Teacher's Pension and Annuity Fund				2,666,834.00	2,666,834.00
T.P.A.F. Non-contributory Insurance				36,999.00	36,999.00
T.P.A.F. Long-Term Disability Insurance				2,304.00	2,304.00
Reimbursed TPAF Social Security Contributions				639,126.19	639,126.19
Total Other State Sources	\$ 40,813.00	\$ (11,803.00)	\$ 29,010.00	4,098,327.19	4,069,317.19
Total - State Sources	24,643,190.00	(475,185.00)	24,168,005.00	28,237,322.19	4,069,317.19
Federal Sources:					
SEMI Medicaid				41,217.30	41,217.30
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				1,140.16	1,140.16
Total - Federal Sources				42,357.46	42,357.46
Total Revenues	24,893,922.16	(475,185.00)	24,418,737.16	30,525,501.32	6,106,764.16
<u>EXPENDITURES</u>					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	381,724.09	28,355.00	410,079.09	358,916.80	51,162.29
Grades 1-5	2,472,347.74	174,312.00	2,646,659.74	2,510,378.72	136,281.02
Grades 6-8	1,379,066.78	(418,136.00)	960,930.78	905,096.16	55,834.62
Grades 9-12	2,189,970.25	(224,035.00)	1,965,935.25	1,842,981.36	122,953.89
Regular Programs - Home Instruction:					
Salaries of Teachers		37,000.00	37,000.00	36,765.00	235.00
Purchased Professional Educational Services	10,000.00	19,000.00	29,000.00	26,684.71	2,315.29

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	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	\$ 523,118.24	\$ (115,883.00)	\$ 407,235.24	\$ 368,890.32	\$ 38,344.92
Purchased Professional - Educational Services	648,300.00	(346,946.00)	301,354.00	203,194.62	98,159.38
Purchased Technical Services	72,063.00	16,100.00	88,163.00	86,515.72	1,647.28
Other Purchased Services	31,593.60		31,593.60	29,421.66	2,171.94
General Supplies	190,000.00	28,000.00	218,000.00	120,671.91	97,328.09
Textbooks	50,000.00	(30,200.00)	19,800.00	153.54	19,646.46
Other Objects	61,820.00	(13,546.00)	48,274.00	12,227.35	36,046.65
Total Regular Programs - Instruction	8,010,003.70	(845,979.00)	7,164,024.70	6,501,897.87	662,126.83
Special Education Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers	536,112.87	138,307.00	674,419.87	603,749.10	70,670.77
General Supplies		1,960.00	1,960.00	1,909.23	50.77
Total Resource Room / Resource Center	536,112.87	140,267.00	676,379.87	605,658.33	70,721.54
Homebound Instruction:					
Salaries of Teachers		20,000.00	20,000.00	15,243.75	4,756.25
Purchased Professional - Educational Services	15,000.00	(5,000.00)	10,000.00	5,181.25	4,818.75
Total Homebound Instruction	15,000.00	15,000.00	30,000.00	20,425.00	9,575.00
Total Special Education - Instruction	551,112.87	155,267.00	706,379.87	626,083.33	80,296.54
Bilingual Education - Instruction:					
Salaries of Teachers	252,233.51	24,030.00	276,263.51	253,652.93	22,610.58
Total Bilingual Education - Instruction	252,233.51	24,030.00	276,263.51	253,652.93	22,610.58

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	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		\$ 9,700.00	\$ 9,700.00	\$ 3,490.00	\$ 6,210.00
Supplies and Materials	\$ 74,200.00	(2,500.00)	71,700.00	37,820.84	33,879.16
Total School - Sponsored Cocurricular Activities - Instruction	74,200.00	7,200.00	81,400.00	41,310.84	40,089.16
School - Sponsored Athletics - Instruction:					
Salaries	100,500.00		100,500.00	88,631.25	11,868.75
Purchased Services (300-500 Series)	10,000.00		10,000.00	8,452.00	1,548.00
Supplies and Materials	24,900.00		24,900.00	9,331.50	15,568.50
Other Objects	33,190.00		33,190.00	4,380.00	28,810.00
Total School - Sponsored Athletics - Instruction	168,590.00		168,590.00	110,794.75	57,795.25
Community Service Programs					
Salaries	626,197.34	(8,000.00)	618,197.34	568,028.81	50,168.53
Other Purchased Services (300-500 series)	45,600.00		45,600.00	40,713.68	4,886.32
Supplies and Materials	66,500.00	(3,500.00)	63,000.00	46,218.68	16,781.32
Other Objects	8,780.00		8,780.00	5,440.95	3,339.05
Total Community Service Programs	747,077.34	(11,500.00)	735,577.34	660,402.12	75,175.22
Total Instruction	9,803,217.42	(670,982.00)	9,132,235.42	8,194,141.84	938,093.58
Undistributed Expenditures - Attendance and Social Work:					
Salaries	135,568.07		135,568.07	135,380.82	187.25
Salaries of Family Liaisons/Community Parent Involvement Specialists	78,692.00	600.00	79,292.00	79,291.72	0.28
Supplies and Materials	2,000.00		2,000.00		2,000.00
Total Undistributed Expenditures - Attendance and Social Work	216,260.07	600.00	216,860.07	214,672.54	2,187.53

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	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 - Health Services:					
Salaries	\$ 269,836.00	\$ 15,187.00	\$ 285,023.00	\$ 253,224.15	\$ 31,798.85
Purchased Professional and Technical Services	25,520.00		25,520.00	14,587.50	10,932.50
Supplies and Materials	14,647.98	25.04	14,673.02	6,696.87	7,976.15
Other Objects	300.00		300.00		300.00
Total Undistributed Expenditures - Health Services	310,303.98	15,212.04	325,516.02	274,508.52	51,007.50
Undistributed Expenditures - Other Support Services Students -					
Extraordinary Services					
Salaries	29,396.80	(29,000.00)	396.80		396.80
Total Undistributed Expenditures - Other Support Services Students - Extraordinary Services	29,396.80	(29,000.00)	396.80		396.80
Undistributed Expenditures - Guidance Services:					
Other Salaries	195,962.65	(50,400.00)	145,562.65	137,549.78	8,012.87
Purchased Professional - Educational Services	275,134.00	40,201.79	315,335.79	170,744.11	144,591.68
Supplies and Materials	35,000.00		35,000.00	1,075.09	33,924.91
Total Undistributed Expenditures - Guidance Services	506,096.65	(10,198.21)	495,898.44	309,368.98	186,529.46
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	286,340.00	(7,328.00)	279,012.00	267,367.26	11,644.74
Purchased Professional - Educational Services	150,100.00	(13,440.21)	136,659.79	105,492.07	31,167.72
Supplies and Materials	2,000.00	1040.21	3,040.21	2,994.36	45.85
Total Undistributed Expenditures - Child Study Teams	438,440.00	(19,728.00)	418,712.00	375,853.69	42,858.31

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	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 - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	\$ 207,874.75	\$ 400.00	\$ 208,274.75	\$ 208,249.86	\$ 24.89
Total Undistributed Expenditures - Improvement of Instructional Services	207,874.75	400.00	208,274.75	208,249.86	24.89
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services		6,000.00	6,000.00	5,400.00	600.00
Other Purchased Services (400-500 series)	10,000.00	(3,000.00)	7,000.00		7,000.00
Total Undistributed Expenditures - Instructional Staff Training Services	10,000.00	3000.00	13,000.00	5,400.00	7,600.00
Undistributed Expenditures - Support Services - General Administration:					
Salaries	244,400.00	(113,100.00)	131,300.00	128,173.02	3,126.98
Legal Services	85,000.00	(40,000.00)	45,000.00	31,168.50	13,831.50
Audit Fees	67,100.00	16,000.00	83,100.00	76,900.00	6,200.00
Other Purchased Professional Services	415,100.91	99,953.04	515,053.95	476,844.39	38,209.56
Purchased Technical Services	11,275.00	1,210.00	12,485.00	2,720.00	9,765.00
Communications / Telephone	105,000.00	870.26	105,870.26	74,733.81	31,136.45
Miscellaneous Purchased Services (400-500 series)	64,343.50		64,343.50	59,182.00	5,161.50
Board of Trustees In-House Training / Meeting Supplies	2,000.00		2,000.00		2,000.00
Judgements Against Charter School	50,000.00	(18,100.00)	31,900.00		31,900.00
Miscellaneous Expenditures	53,000.00	10,000.00	63,000.00	42,530.00	20,470.00
Board of Trustees Membership Dues and Fees	31,370.00	18,100.00	49,470.00	49,340.60	129.40
Total Undistributed Expenditures - Support Services - General Administration	1,128,589.41	(25,066.70)	1,103,522.71	941,592.32	161,930.39
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals/ Program Directors	588,115.36	49,460.00	637,575.36	584,180.00	53,395.36
Salaries of Secretarial and Clerical Assistants	82,091.00	34,622.00	116,713.00	108,453.84	8,259.16
Other Salaries	161,401.00	(2,000.00)	159,401.00	150,552.96	8,848.04
Supplies and Materials	103,500.00		103,500.00	70,691.34	32,808.66
Other Objects	3,075.00		3,075.00	2,010.00	1,065.00

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Total Undistributed Expenditures - Support Services - School Administration	\$ 938,182.36	\$ 162,382.00	\$ 1,100,564.36	\$ 969,088.14	\$ 131,476.22
Undistributed Expenditures - Central Services:					
Salaries	673,199.62	90,747.00	763,946.62	742,473.04	21,473.58
Purchased Professional Services	48,800.00	18,084.00	66,884.00	56,881.84	10,002.16
Public Relations	107,000.00	(12,261.25)	94,738.75	78,952.00	15,786.75
Miscellaneous Purchased Services	32,050.00	(3,720.00)	28,330.00	8,577.83	19,752.17
Supplies and Materials	16,300.00	720.00	17,020.00	1,976.54	15,043.46
Interest on Financed Purchases	240.00	3.16	243.16	215.02	28.14
Mortgage and Loan Interest	259,981.00	12.04	259,993.04	259,993.04	
Miscellaneous Expenditures	270,676.96	4,592.00	275,268.96	270,812.40	4,456.56
Total Undistributed Expenditures - Central Services	1,408,247.58	98,176.95	1,506,424.53	1,419,881.71	86,542.82
Undistributed Expenditures - Administration of Information Technology:					
Salaries	293,408.16	14,000.00	307,408.16	302,293.91	5,114.25
Purchased Professional Services	28,650.00		28,650.00	8,727.60	19,922.40
Supplies and Materials	122,630.00	(6,221.00)	116,409.00	60,236.58	56,172.42
Total Undistributed Expenditures - Administration of Information Technology	444,688.16	7,779.00	452,467.16	371,258.09	81,209.07
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	397,032.45	328,489.89	725,522.34	609,615.27	115,907.07
General Supplies	46,100.00	42,793.12	88,893.12	84,819.62	4,073.50
Total Undistributed Expenditures - Required Maintenance for School Facilities	443,132.45	371,283.01	814,415.46	694,434.89	119,980.57

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 308,302.43	\$ (25,916.65)	\$ 282,385.78	\$ 100,254.27	\$ 182,131.51
Rental of Land and Buildings Other Than Lease Purchase Agreement	1,298,592.96		1,298,592.96	1,275,752.66	22,840.30
Other Purchased Property Services	78,000.00		78,000.00	66,327.45	11,672.55
Insurance	135,082.48	328.00	135,410.48	135,410.19	0.29
General Supplies	153,276.30	(10,000.00)	143,276.30	106,292.36	36,983.94
Energy - Electricity	370,000.00		370,000.00	348,686.93	21,313.07
Total Undistributed Expenditures - Custodial Services	2,343,254.17	(35,588.65)	2,307,665.52	2,032,723.86	274,941.66
Undistributed Expenditures - Security:					
Salaries	70,000.00	(7,000.00)	63,000.00	58,300.61	4,699.39
General Supplies	5,000.00	8,000.00	13,000.00	8,504.88	4,495.12
Total Undistributed Expenditures - Security	75,000.00	1,000.00	76,000.00	66,805.49	9,194.51
Total Undistributed Expenditures - Operation and Maintenance of Plant	2,861,386.62	336,694.36	3,198,080.98	2,793,964.24	404,116.74
Undistributed Expenditures - Student Transportation Services:					
Salaries	533,256.55	23,000.00	556,256.55	554,831.57	1,424.98
Other Professional and Technical Services	38,840.00		38,840.00	20,813.44	18,026.56
Cleaning, Repair, & Maintenance Services	30,015.53		30,015.53	26,613.18	3,402.35
Contracted Services (Other than Between Home and School) - Vendors	33,700.00	1,030.00	34,730.00		34,730.00
Insurance	100,000.00		100,000.00	99,960.00	40.00
General Supplies	5,000.00		5,000.00	2,026.43	2,973.57
Transportation Supplies	90,000.00		90,000.00	66,653.58	23,346.42
Other Objects	15,000.00		15,000.00	4,676.22	10,323.78
Total Undistributed Expenditures - Student Transportation Services	845,812.08	24,030.00	869,842.08	775,574.42	94,267.66

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Allocated Benefits - Community Service Programs:					
Workmen's Compensation	\$ 14,669.60	\$ (5,967.00)	\$ 8,702.60	\$ 2,248.00	\$ 6,454.60
Total Allocated Benefits - Community Service Programs	14,669.60	(5,967.00)	8,702.60	2,248.00	6,454.60
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	291,755.73	127,000.00	418,755.73	310,983.82	107,771.91
Other Retirement Contributions - PERS	600,000.00	(117,500.00)	482,500.00	306,424.33	176,075.67
Other Retirement Contributions - DCRP	20,000.00	136.00	20,136.00	20,135.62	0.38
Unemployment Compensation	65,000.00	425.00	65,425.00	54,975.78	10,449.22
Workmen's Compensation	220,094.60	(20,000.00)	200,094.60	191,218.55	8,876.05
Health Benefits	2,028,395.00	119,000.00	2,147,395.00	1,859,078.69	288,316.31
Tuition Reimbursement	20,000.00	(1,225.00)	18,775.00		18,775.00
Other Employee Benefits		10,800.00	10,800.00	10,091.12	708.88
Total Unallocated Benefits - Employee Benefits	3,245,245.33	118,636.00	3,363,881.33	2,752,907.91	610,973.42
Total Personal Services Employee Benefits	3,259,914.93	112,669.00	3,372,583.93	2,755,155.91	617,428.02
On-behalf Contributions (Non-Budgeted):					
T.P.A.F. Post-Retirement Medical				710,291.00	(710,291.00)
Teacher's Pension and Annuity Fund				2,666,834.00	(2,666,834.00)
T.P.A.F. Non-contributory Insurance				36,999.00	(36,999.00)
T.P.A.F. Long-Term Disability Insurance				2,304.00	(2,304.00)
Reimbursed TPAF Social Security Contributions				639,126.19	(639,126.19)
Total On-behalf Contributions				4,055,554.19	(4,055,554.19)
Total Undistributed Expenditures	12,605,193.39	676,950.44	13,282,143.83	15,470,122.61	(2,187,978.78)
Total General Current Expense	22,408,410.81	5,968.44	22,414,379.25	23,664,264.45	(1,249,885.20)

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Non-Instructional Equipment	\$ 103,000.00	\$ 132,688.00	\$ 235,688.00	\$ 235,081.36	\$ 606.64
Total Equipment	103,000.00	132,688.00	235,688.00	235,081.36	606.64
Facilities Acquisition and Construction Services:					
Architectural and Engineering Services	37,382.00	212,500.00	249,882.00	143,082.00	106,800.00
Construction Services	1,100,000.00	(1,069,000.00)	31,000.00	30,988.50	11.50
Financed Purchases Principal	20,781.00	416.88	21,197.88	15,549.98	5,647.90
Mortgage, Bonds and Loan Principal	660,243.00	(12.04)	660,230.96	660,230.80	0.16
Total Facilities Acquisition and Construction Services	1,818,406.00	(856,095.16)	962,310.84	849,851.28	112,459.56
Assets Acquired Under Lease (Non-Budgeted):					
Undistributed Expenditures:					
Copier				37,445.18	(37,445.18)
Total Assets Acquired Under Lease				37,445.18	(37,445.18)
Assets Acquired Under SBITAs (Non-Budgeted):					
Undistributed Expenditures:					
SBITA - Learning Platform				14,418.56	(14,418.56)
SBITA - Language Learning Software				12,461.67	(12,461.67)
SBITA - Special Educaiton Software				82,027.90	(82,027.90)
Total Assets Acquired Under SBITAs (non-budgeted)				108,908.13	(108,908.13)
Total Capital Outlay	1,921,406.00	(723,407.16)	1,197,998.84	1,231,285.95	(33,287.11)
Total Expenditures	24,329,816.81	(717,438.72)	23,612,378.09	24,895,550.40	(1,283,172.31)

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 564,105.35	\$ 242,253.72	\$ 806,359.07	\$ 5,629,950.92	\$ 4,823,591.85
Other Financing Sources (Uses):					
Capital Outlay Transfer to Capital Projects Fund			(250,000.00)	(250,000.00)	
Assets Acquired Under Lease (non-budgeted)				37,445.18	37,445.18
SBITAs (non-budgeted)				108,908.13	108,908.13
Total Other Financing Sources (Uses)			(250,000.00)	(103,646.69)	146,353.31
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	564,105.35	242,253.72	556,359.07	5,526,304.23	4,969,945.16
Fund Balances, July 1	10,730,095.42		10,730,095.42	10,730,095.42	
Fund Balances, June 30	\$ 11,294,200.77	\$ 242,253.72	\$ 11,286,454.49	\$ 16,256,399.65	\$ 4,969,945.16
Recapitulation:					
Restricted Fund Balance:					
Debt Service Escrow				\$ 75,536.03	
Charter School Escrow Reserve				75,000.00	
Other Restricted Reserves				3,000,000.00	
Committed Fund Balance:					
Future Capital Outlays				2,000,000.00	
Assigned Fund Balance:					
Year-End Encumbrances				106,800.00	
Unassigned Fund Balance				10,999,063.62	
				<u>\$ 16,256,399.65</u>	

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I Grants to Local Educational Agencies	\$ 1,237,150.00	\$ 52,521.63	\$ 1,289,671.63	\$ 1,289,671.63	
Title I Grants to Local Educational Agencies SIA	15,100.00		15,100.00		\$ (15,100.00)
Supporting Effective Instruction State Grants (Title II)	118,402.00	8,994.48	127,396.48	120,166.00	(7,230.48)
English Language Acquisition Grants (Title III)	23,005.00	462.54	23,467.54	21,635.20	(1,832.34)
English Language Acquisition Grants (Title III, Immigrant)	3,637.00		3,637.00	3,637.00	
Student Support and Academic Enrichment Program (Title IV)	89,025.00	7,012.32	96,037.32	94,342.32	(1,695.00)
Special Education Grants to States (IDEA Basic)	384,975.09	14,248.91	399,224.00	342,785.00	(56,439.00)
ARP Special Education Grants to States (ARP IDEA Basic)	78,913.79	440.21	79,354.00	78,913.79	(440.21)
Special Education Grants to States (IDEA Preschool)	7,293.00		7,293.00	7,293.00	
Education Stabilization Fund:					
Elementary and Secondary School Emergency Relief:					
CRRSA ESSER II:					
Addressing Student Learning		783,697.15	783,697.15	783,697.15	
Learning Acceleration	209,988.00		209,988.00	140,250.17	(69,737.83)
Mental Health Supports and Services	40,500.00	4,500.00	45,000.00	45,000.00	
ARP ESSER:					
ARP-ESSER	1,748,192.56	4,168,537.44	5,916,730.00	3,112,282.28	(2,804,447.72)
Accelerated Learning Coach and Educator Support	181,099.00		181,099.00	136,818.45	(44,280.55)
Evidence Based Summer Learning and Enrichment	40,000.00		40,000.00	38,869.00	(1,131.00)
Evidence Based Comprehensive Beyond the School Day	40,000.00		40,000.00	31,995.00	(8,005.00)
NJTSS Mental Health Support Staff	45,000.00		45,000.00	34,500.00	(10,500.00)
ARP Homeless Children & Youth	24,857.00		24,857.00	8,096.00	(16,761.00)
Coronavirus State and Local Fiscal Recovery:					
School and Small Business Energy Efficiency Stimulus Program	28,036.50	1,461,090.00	1,489,126.50	28,036.50	(1,461,090.00)
Total - Federal Sources	<u>4,315,173.94</u>	<u>6,501,504.68</u>	<u>10,816,678.62</u>	<u>6,317,988.49</u>	<u>(4,498,690.13)</u>

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	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):					
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	9,400.00	\$ 251,547.00	260,947.00	132,858.61	\$ (128,088.39)
Climate Change Education Grants to Schools	13,320.00	(6,660.00)	6,660.00	6,660.00	
Total - State Sources	110,609.00	244,887.00	355,496.00	227,407.61	(128,088.39)
Local Sources:					
Revenue from Local Sources	275,903.47	227,433.29	503,336.76	317,526.58	(185,810.18)
Total - Local Sources	275,903.47	227,433.29	503,336.76	317,526.58	(185,810.18)
Total Revenue	4,701,686.41	6,973,824.97	11,675,511.38	6,862,922.68	(4,812,588.70)
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	388,906.25	582,630.74	971,536.99	908,099.52	63,437.47
Purchased Services	517,671.00	463,389.04	981,060.04	958,885.04	22,175.00
Other Purchased Services (400-500 series)		17,764.75	17,764.75	10,334.69	7,430.06
Instructional Supplies	758,387.00	473,734.44	1,232,121.44	711,559.24	520,562.20
Other Objects	6,146.00	(5,617.13)	528.87	490.00	38.87
Total Instruction	1,671,110.25	1,531,901.84	3,203,012.09	2,589,368.49	613,643.60

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Support Services:					
Personal Services - Salaries	\$ 523,568.00	\$ 1,834,786.86	\$ 2,358,354.86	\$ 2,009,518.23	\$ 348,836.63
Personal Services - Employee Benefits	1,430,894.97	(209,363.14)	1,221,531.83	861,337.50	360,194.33
Purchased Professional and Technical Services	513,651.50	1,484,969.89	1,998,621.39	452,940.86	1,545,680.53
Other Purchased Services (400-500 series)	18,556.00	(4,420.00)	14,136.00	11,619.34	2,516.66
Supplies and Materials	415,413.22	58,139.68	473,552.90	171,331.85	302,221.05
Other Objects	31,203.47	116,774.96	147,978.43	137,821.18	10,157.25
Student Activities/ Parent Unit		111,339.88	111,339.88	88,806.18	22,533.70
Total Support Services	<u>2,933,287.16</u>	<u>3,392,228.13</u>	<u>6,325,515.29</u>	<u>3,733,375.14</u>	<u>2,592,140.15</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		429,907.00	429,907.00	178,360.00	251,547.00
Noninstructional Equipment		1,513,749.26	1,513,749.26	223,846.61	1,289,902.65
Construction Services	<u>97,289.00</u>	<u>106,038.74</u>	<u>203,327.74</u>	<u>115,438.74</u>	<u>87,889.00</u>
Total Facilities Acquisition and Construction Services	<u>97,289.00</u>	<u>2,049,695.00</u>	<u>2,146,984.00</u>	<u>517,645.35</u>	<u>1,629,338.65</u>
Total Expenditures	<u>4,701,686.41</u>	<u>6,973,824.97</u>	<u>11,675,511.38</u>	<u>6,840,388.98</u>	<u>4,835,122.40</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	22,533.70	<u>22,533.70</u>
Fund Balance, July 1				<u>71,124.38</u>	
Fund Balance, June 30				<u>\$ 93,658.08</u>	
Recapitulation:					
Restricted:					
Student Activities/ Parent Unit				<u>\$ 93,658.08</u>	
Total Fund Balance				<u>\$ 93,658.08</u>	

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2023

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)	\$ 30,525,501.32	\$ 6,862,922.68
Difference - Budget to GAAP:		
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		<u>25,652.93</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	<u>\$ 30,525,501.32</u>	<u>\$ 6,888,575.61</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 24,895,550.40	\$ 6,840,388.98
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		
Local Grant Awards		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 24,895,550.40</u>	<u>\$ 6,840,388.98</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 Ten Plan Years

	Measurement Date Ending 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>	<u>2013</u>
Proportion of the Net Pension Liability	0.3789332300%	0.0428507427%	0.0532057436%	0.0545800383%	0.0442544701%	0.0331521215%	0.0314301541%	0.0302395467%	0.0279011432%	0.0289281896%
Proportionate Share of the Net Pension Liability	\$ 5,718,624.00	\$ 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
Covered Payroll (Plan Measurement Period)	\$ 2,795,012.00	\$ 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
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	204.60%	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	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

	Fiscal Year Ended June 30,									
	<u>2023</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>
Contractually Required Contribution	\$ 569,225.00	\$ 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>(569,225.00)</u>	<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>	<u>\$ -</u>
Covered Payroll (Fiscal Year)	\$ 3,566,806.00	\$ 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 Covered Payroll	15.96%	16.32%	18.24%	17.02%	15.74%	12.67%	11.18%	14.03%	13.15%	12.95%

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 Ten Plan Years

	Measurement Date Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	0.00%	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 Employer	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the Employer	\$ 36,104,505.00	\$ 30,973,007.00	\$ 45,913,687.00	\$ 42,946,680.00	\$ 46,531,108.00	\$ 46,548,663.00	\$ 50,253,464.00	\$ 34,435,578.00	\$ 24,526,395.00	\$ 20,511,366.00
	<u>\$ 36,104,505.00</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>
Covered Payroll (Measurement Period)	\$ 8,158,264.00	\$ 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
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	442.55%	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	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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, 2023

Teachers' Pension and Annuity Fund (TPAF)***Changes in Benefit Terms:***

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

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>
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

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>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Notes to Required Supplementary Information - Part III

For the Fiscal Year Ended June 30, 2023

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

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>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

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>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

**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 Six Plan Years

	Measurement Date Ending June 30,					
	<u>2022</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	\$ 2,404,468.00	\$ 2,978,791.00	\$ 1,658,181.00	\$ 1,503,466.00	\$ 1,641,266.00	\$ 1,985,807.00
Interest Cost	412,573.00	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	(1,096,424.00)	(5,047,378.00)	3,794,610.00	(2,402,933.00)	(4,747,607.00)	
Changes in Assumptions	(4,176,295.00)	18,172.00	3,721,950.00	165,566.00	(1,338,689.00)	(2,502,354.00)
Gross Benefit Payments	13,110.00	12,215.00	10,752.00	(340,868.00)	(311,935.00)	(365,800.00)
Member Contributions	(408,666.00)	(376,387.00)	(354,725.00)	10,104.00	10,781.00	13,470.00
Net Change in Total Non-Employer OPEB Liability	(2,851,234.00)	(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	18,419,380.00	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>\$ 15,568,146.00</u>	<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>\$ 10,383,000.00</u>	<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	149.94%	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, 2023

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>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend 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, 2023

	Title I Grants to Local Educational Agencies	Supporting Effective Instruction State Grants (Title II)	E.S.S.A. English Language Acquisition Grants (Title III)	English Language Acquisition Grants (Title III) (Immigrant)	Student Support & Academic Enrichment (Title IV)	Total Carried Forward
REVENUES:						
Federal Sources	\$ 1,289,671.63	\$ 120,166.00	\$ 21,635.20	\$ 3,637.00	\$ 94,342.32	\$ 1,529,452.15
Total Revenues	<u>1,289,671.63</u>	<u>120,166.00</u>	<u>21,635.20</u>	<u>3,637.00</u>	<u>94,342.32</u>	<u>1,529,452.15</u>
EXPENDITURES:						
Instruction:						
Personal Services - Salaries	131,960.37					131,960.37
Purchased Services	369,550.00				80,764.41	450,314.41
Instructional Supplies	125,327.08		11,223.01	3,637.00	12,617.91	152,805.00
Other Objects			490.00			490.00
Total Instruction	<u>626,837.45</u>		<u>11,713.01</u>	<u>3,637.00</u>	<u>93,382.32</u>	<u>735,569.78</u>
Support Services:						
Personal Services - Salaries	336,986.44		7,098.75		960.00	345,045.19
Personal Services - Employee Benefits	268,763.17		543.00			269,306.17
Purchased Professional and Technical Services		102,367.34	1,294.00			103,661.34
Other Purchased Services (400-500 series)	4,136.00	6,412.25	986.44			11,534.69
Supplies and Materials	17,868.02	11,386.41				29,254.43
Other Objects	6,981.55					6,981.55
Total Support Services	<u>634,735.18</u>	<u>120,166.00</u>	<u>9,922.19</u>		<u>960.00</u>	<u>765,783.37</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment	28,099.00					28,099.00
Total Facilities Acquisition and Construction Services	<u>28,099.00</u>					<u>28,099.00</u>
Total Expenditures	<u>1,289,671.63</u>	<u>120,166.00</u>	<u>21,635.20</u>	<u>3,637.00</u>	<u>94,342.32</u>	<u>1,529,452.15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures						
Fund Balance, July 1						
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Brought Forward	I.D.E.A Part B			Education Stabilization Fund Elementary and Secondary School Emergency Relief			Total Carried Forward
		Special Education Grants to States (Basic)	Special Education Grants to States (ARP Basic)	Special Education Grants to States (Preschool)	CRRSA ESSER II			
					Addressing Student Learning	Learning Acceleration	Mental Health	
REVENUES:								
Federal Sources	\$ 1,529,452.15	\$ 342,785.00	\$ 78,913.79	\$ 7,293.00	\$ 783,697.15	\$ 140,250.17	\$ 45,000.00	\$ 2,927,391.26
Total Revenues	1,529,452.15	342,785.00	78,913.79	7,293.00	783,697.15	140,250.17	45,000.00	2,927,391.26
EXPENDITURES:								
Instruction:								
Personal Services - Salaries	131,960.37	40,056.24	71,905.00		86,080.00	125,973.50		455,975.11
Purchased Services	450,314.41				69,298.50			519,612.91
Instructional Supplies	152,805.00			7,293.00		8,589.17		168,687.17
Other Objects	490.00							490.00
Total Instruction	735,569.78	40,056.24	71,905.00	7,293.00	155,378.50	134,562.67		1,144,765.19
Support Services:								
Personal Services - Salaries	345,045.19	84,894.99			498,193.26	5,687.50	40,500.00	974,320.94
Personal Services - Employee Benefits	269,306.17	37,909.20	6,884.70		73,153.81			387,253.88
Purchased Professional and Technical Services	103,661.34	179,924.57					4,500.00	288,085.91
Other Purchased Services (400-500 series)	11,534.69							11,534.69
Supplies and Materials	29,254.43		124.09		28,477.58			57,856.10
Other Objects	6,981.55							6,981.55
Total Support Services	765,783.37	302,728.76	7,008.79		599,824.65	5,687.50	45,000.00	1,726,033.07
Facilities Acquisition and Construction Services:								
Instructional Equipment	28,099.00				15,995.00			44,094.00
Non-Instructional Equipment					12,499.00			12,499.00
Total Facilities Acquisition and Construction Services	28,099.00				28,494.00			56,593.00
Total Expenditures	1,529,452.15	342,785.00	78,913.79	7,293.00	783,697.15	140,250.17	45,000.00	2,927,391.26
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, 2023

	Education Stabilization Fund Elementary and Secondary School Emergency Relief							School and Small Business Energy Efficiency Stimulus Program	Total Carried Forward
	ARP ESSER								
	Total Brought Forward	ARP ESSER	Accelerated Learning Coach and Educator Support	Evidence Based Summer Learning and Enrichment	Evidence Based Comprehensive Beyond the School Day	NJTSS Mental Health Support Staff	ARP Homeless Children and Youth		
REVENUES:									
Federal Sources	\$ 2,927,391.26	\$ 3,112,282.28	\$ 136,818.45	\$ 38,869.00	\$ 31,995.00	\$ 34,500.00	\$ 8,096.00	\$ 28,036.50	\$ 6,317,988.49
Total Revenues	<u>2,927,391.26</u>	<u>3,112,282.28</u>	<u>136,818.45</u>	<u>38,869.00</u>	<u>31,995.00</u>	<u>34,500.00</u>	<u>8,096.00</u>	<u>28,036.50</u>	<u>6,317,988.49</u>
EXPENDITURES:									
Instruction:									
Personal Services - Salaries	455,975.11	452,124.41							908,099.52
Purchased Services	519,612.91	407,277.13			31,995.00				958,885.04
Other Purchased Services (400-500 series)		10,334.69							10,334.69
Instructional Supplies	168,687.17	422,080.65		38,869.00					629,636.82
Other Objects	490.00								490.00
Total Instruction	<u>1,144,765.19</u>	<u>1,291,816.88</u>	<u>-</u>	<u>38,869.00</u>	<u>31,995.00</u>				<u>2,507,446.07</u>
Support Services:									
Personal Services - Salaries	974,320.94	1,000,697.29				34,500.00			2,009,518.23
Personal Services - Employee Benefits	387,253.88	474,083.62							861,337.50
Purchased Professional and Technical Services	288,085.91		136,818.45					28,036.50	452,940.86
Other Purchased Services (400-500 series)	11,534.69								11,534.69
Supplies and Materials	57,856.10	105,379.75					8,096.00		171,331.85
Other Objects	6,981.55								6,981.55
Total Support Services	<u>1,726,033.07</u>	<u>1,580,160.66</u>	<u>136,818.45</u>			<u>34,500.00</u>	<u>8,096.00</u>	<u>28,036.50</u>	<u>3,513,644.68</u>
Facilities Acquisition and Construction Services:									
Instructional Equipment	44,094.00	134,266.00							178,360.00
Non-Instructional Equipment	12,499.00								12,499.00
Construction Services		106,038.74							106,038.74
Total Facilities Acquisition and Construction Services	<u>56,593.00</u>	<u>240,304.74</u>							<u>296,897.74</u>
Total Expenditures	<u>2,927,391.26</u>	<u>3,112,282.28</u>	<u>136,818.45</u>	<u>38,869.00</u>	<u>31,995.00</u>	<u>34,500.00</u>	<u>8,096.00</u>	<u>28,036.50</u>	<u>6,317,988.49</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures									
Fund Balance, July 1									
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	Preschool and Charter School Security Grant	Charter School & Renaissance School Project Emergent Capital	Climate Change Education Grant to Schools	Brain Injury Champ Grant	All Learners Grant	SHIF Health Grant	LEAP Cramer Hill LLC Donations	Student Activity /Parent Unit Fund	Total
REVENUES:										
Federal Sources	\$ 6,317,988.49									\$ 6,317,988.49
State Sources		\$ 87,889.00	\$ 132,858.61	\$ 6,660.00						227,407.61
Local Sources					\$ 84.65	\$ 75,262.42	\$ 2,202.75	\$ 128,636.88	111,339.88	317,526.58
Total Revenues	6,317,988.49	87,889.00	132,858.61	6,660.00	84.65	75,262.42	2,202.75	128,636.88	111,339.88	6,862,922.68
EXPENDITURES:										
Instruction:										
Personal Services - Salaries	908,099.52									908,099.52
Purchased Services	958,885.04									958,885.04
Other Purchased Services (400-500 series)	10,334.69									10,334.69
Instructional Supplies	629,636.82			6,660.00		75,262.42				711,559.24
Other Objects	490.00									490.00
Total Instruction	2,507,446.07			6,660.00		75,262.42				2,589,368.49
Support Services:										
Personal Services - Salaries	2,009,518.23									2,009,518.23
Personal Services - Employee Benefits	861,337.50									861,337.50
Purchased Professional and Technical Services	452,940.86									452,940.86
Other Purchased Services (400-500 series)	11,534.69				84.65					11,619.34
Supplies and Materials	171,331.85									171,331.85
Other Objects	6,981.55						2,202.75	128,636.88		137,821.18
Student Activities/ Parent Unit									88,806.18	88,806.18
Total Support Services	3,513,644.68				84.65		2,202.75	128,636.88	88,806.18	3,733,375.14
Facilities Acquisition and Construction Services:										
Instructional Equipment	178,360.00									178,360.00
Non-Instructional Equipment	12,499.00	87,889.00	123,458.61							223,846.61
Construction Services	106,038.74		9,400.00							115,438.74
Total Facilities Acquisition and Construction Services	296,897.74	87,889.00	132,858.61	-						517,645.35
Total Expenditures	6,317,988.49	87,889.00	132,858.61	6,660.00	84.65	75,262.42	2,202.75	128,636.88	88,806.18	6,840,388.98
Excess (Deficiency) of Revenues Over (Under) Expenditures									22,533.70	22,533.70
Fund Balance, July 1	-								71,124.38	71,124.38
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,658.08	\$ 93,658.08

CAPITAL PROJECTS FUND

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2023

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
LEAP Social Enterprise Rich Center	9/10/2020	\$ 1,261,720.00	\$ 181,347.97	\$ 24,590.19	\$ 1,055,781.84
		<u>\$ 1,261,720.00</u>	<u>\$ 181,347.97</u>	<u>\$ 24,590.19</u>	<u>\$ 1,055,781.84</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, 2023

Revenues and Other Financing Sources

Local Source - Capital Outlay Transfer to Capital Projects Fund	\$ 250,000.00
	250,000.00

Expenditures and Other Financing Uses

Expenditures:	
Architecture	24,590.19
	24,590.19

Excess (Deficiency) of Revenues Over (Under) Expenditures	225,409.81
Fund Balance, July 1	830,372.03
Fund Balance, June 30	\$ 1,055,781.84
Reconciliation to Governmental Funds Statements (GAAP):	
Fund Balance as of June 30, 2023	\$ 1,055,781.84

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, 2023

	<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 - Capital Outlay Transfer to Capital Projects Fund		\$ 250,000.00	250,000.00	250,000.00
Local Source - Donation	11,720.00		11,720.00	11,720.00
Total Revenues	1,011,720.00	250,000.00	1,261,720.00	1,261,720.00
Expenditures and Other Financing Uses				
Architecture	181,347.97	24,590.19	205,938.16	218,847.97
Construction Services				1,042,872.03
Total Expenditures	181,347.97	24,590.19	205,938.16	1,261,720.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 830,372.03	\$ 225,409.81	\$ 1,055,781.84	\$ -
Encumbered			\$ 8,505.00	
Designated for Subsequent Year Expenditures			<u>1,047,276.84</u>	
			<u><u>\$ 1,055,781.84</u></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	1,261,720.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	16%			
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, 2023

	Business-Type Activities <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash	\$ 457,866.07
Accounts Receivable	42,693.40
Intergovernmental Accounts Receivable:	
State	2,180.45
Federal	64,433.99
Inventories	<u>9,994.53</u>
Total Current Assets	<u>577,168.44</u>
Noncurrent Assets:	
Equipment	649,119.53
Less Accumulated Depreciation	<u>(414,040.65)</u>
Total Noncurrent Assets	<u>235,078.88</u>
Total Assets	<u>812,247.32</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	280,034.70
Interfund Accounts Payable:	
General Fund	<u>81,060.00</u>
Total Current Liabilities	<u>361,094.70</u>
NET POSITION:	
Net Investment in Capital Assets	235,078.88
Unrestricted	<u>216,073.74</u>
Total Net Position	<u>\$ 451,152.62</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, 2023

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 5,006.81
Daily Sales - Non-Reimbursable Programs	21,249.50
Rutgers - ELRA Contract	239,067.40
Miscellaneous Revenue	581.85
Total Operating Revenues	265,905.56
OPERATING EXPENSES:	
Salaries	804,090.99
Employee Benefits	127,785.61
Purchased Professional and Technical Services	720.00
Other Purchased Services	83,596.52
Cleaning, Repair and Maintenance Services	9,327.07
General Supplies	143,237.04
Depreciation	39,554.96
Cost of Sales - Reimbursable Programs	639,678.85
Cost of Sales - Nonreimbursable Programs	86,501.00
Total Operating Expenses	1,934,492.04
Operating Income / (Loss)	(1,668,586.48)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	23,521.99
State School Breakfast Program	5,043.60
State School Breakfast After the Bell	15,503.40
Federal Sources:	
National School Lunch Program	852,581.57
National School Lunch Program - After School Snack Program	43,094.16
National School Lunch Program - Supply Chain Assistance	49,348.52
School Breakfast Program	376,670.51
Food Distribution Program	99,859.24
Interest and Investment Revenue	6,506.73
Loss on Disposal of Capital Assets	(660.00)
Total Nonoperating Revenues (Expenses)	1,471,469.72
Change in Net Position	(197,116.76)
Net Position -- July 1	648,269.38
Net Position -- June 30	\$ 451,152.62

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 202,899.34
Payments to Employees	(804,090.99)
Payments for Employee Benefits	(127,785.61)
Payments to Suppliers	(616,815.52)
Net Cash Provided by (used for) Operating Activities	(1,345,792.78)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	43,635.32
Federal Sources	1,406,308.32
Net Cash Provided by (used for) Non-Capital Financing Activities	1,449,943.64
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	(73,495.31)
Net Cash Provided by (used for) Capital and Related Financing Activities	(73,495.31)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	6,506.73
Net Cash Provided by (used for) Investing Activities	6,506.73
Net Increase (Decrease) in Cash and Cash Equivalents	37,162.28
Balance -- July 1	420,703.79
Balance -- June 30	\$ 457,866.07
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,668,586.48)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	39,554.96
Food Distribution Program	99,859.24
(Increase) Decrease in Accounts Receivable, net	(63,006.22)
(Increase) Decrease in Inventories	(5,889.93)
Increase (Decrease) in Accounts Payable	252,275.65
Total Adjustments	322,793.70
Net Cash Provided by (used for) Operating Activities	\$ (1,345,792.78)

LONG-TERM DEBT

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2023

<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, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
LEAP Academy University Charter School, Inc.:									
Serial Bonds:									
Charter School Refunding Bonds	10/2/2015	\$ 5,940,000.00	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	131,912.57	2.24%	\$ 3,088,446.79		\$ 465,593.84	\$ 2,622,852.95
						<u>3,088,446.79</u>		<u>465,593.84</u>	<u>2,622,852.95</u>
LEAP Cramer Hill, LLC. (Component Unit):									
Serial Bonds:									
Charter School Revenue Bonds:									
Series 2014A (Tax Exempt)	9/29/2014	9,500,000.00	10/1/2023	150,000.00	8.00%				
Series 2014B (Taxable)	9/29/2014	500,000.00	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%				
			10/1/2046	580,000.00	6.30%				
			10/1/2047	620,000.00	6.30%				
			10/1/2048	655,000.00	6.30%				
			10/1/2049	695,000.00	6.30%	9,755,000.00		140,000.00	9,615,000.00
						<u>9,755,000.00</u>		<u>140,000.00</u>	<u>9,615,000.00</u>
Total LEAP Cramer Hill, LLC						<u>9,755,000.00</u>		<u>140,000.00</u>	<u>9,615,000.00</u>

(Continued)

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2023

<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, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
LEAP STEM, LLC (Component Unit):									
Charter School Revenue Bonds:									
Series 2018 Note	12/1/2018	7,500,000.00	2024	\$ 213,083.09	3.99%				
			2025	222,588.18	3.99%				
			2026	231,761.64	TBD				
			2027	241,313.16	TBD				
			2028	250,639.49	TBD				
			2029	261,587.85	TBD				
			2030	272,368.60	TBD				
			2031	283,593.63	TBD				
			2032	294,785.34	TBD				
			2033	307,430.17	TBD				
			2034	320,100.20	TBD				
			2035	333,292.39	TBD				
			2036	346,676.77	TBD				
			2037	361,315.76	TBD				
			2038	376,206.53	TBD				
			2039	391,711.03	TBD				
			2040	407,672.77	TBD				
			2041	424,655.76	TBD				
			2042	442,156.96	TBD				
			2043	460,379.43	TBD				
			2044	197,383.23	TBD	\$ 6,846,045.67		\$ 205,343.69	\$ 6,640,701.98
Total LEAP STEM, LLC						<u>6,846,045.67</u>		<u>205,343.69</u>	<u>6,640,701.98</u>
Total Schedule of Serial Bonds						<u>\$ 19,689,492.46</u>	<u>\$ -</u>	<u>\$ 810,937.53</u>	<u>\$ 18,878,554.93</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, 2023

<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>Amount Outstanding July 1, 2022</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2023</u>
			<u>Principal</u>	<u>Interest</u>					
Bus Lease	9/18/2018	5 Years	\$ 81,739.45	\$ 8,260.55	3.99%	\$ 20,485.48		\$ 17,500.38	\$ 2,985.10
Bus Lease	11/19/2019	5 Years	327,164.05	32,295.95	3.90%	160,093.46		66,834.62	93,258.84
Copiers	7/1/2020	5 Years	207,990.31	14,621.68	2.80%	127,968.13		41,468.78	86,499.35
Postage Machine	11/1/2021	3 Years	1,219.69	50.39	2.80%	955.20		401.74	553.46
Copiers	7/1/2022	5 Years	37,445.18	2,632.42	2.80%		\$ 37,445.18	7,146.80	30,298.38
Total Leases						<u>\$ 309,502.27</u>	<u>\$ 37,445.18</u>	<u>\$ 133,352.32</u>	<u>\$ 213,595.13</u>

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Schedule of Obligations Under Subscription-Based Information Technology Arrangements
For the Fiscal Year Ended June 30, 2023

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Term of Subscription</u>	<u>Amount of Original Subscription</u>		<u>Interest Rate Payable</u>	<u>(Restated) Amount Outstanding July 1, 2022</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2023</u>
			<u>Principal</u>	<u>Interest</u>					
Learning Platform	7/1/2022	2 Years	\$ 14,418.56	N/A	N/A		\$ 14,418.56	\$ 14,418.56	
Student Information System	1/1/2022	5.5 Years	252,458.27	\$ 38,105.81	5.00%	\$ 252,458.27		56,559.61	\$ 195,898.66
Language Learning Software	7/1/2022	14 Months	12,461.67	N/A	N/A		12,461.67	12,461.67	
Special Education Software	7/1/2022	3 Years	82,027.90	4,033.10	5.00%		82,027.90	28,687.00	53,340.90
Total Subscriptions						<u>\$ 252,458.27</u>	<u>\$ 108,908.13</u>	<u>\$ 112,126.84</u>	<u>\$ 249,239.56</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>2023</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>
Governmental Activities										
Net Investment in Capital Assets	\$ 9,236,216.26	\$ 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
Restricted	2,766,780.14	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
Unrestricted (Deficit)	<u>6,451,222.35</u>	<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>
Total Governmental Activities Net Position	<u>\$ 18,454,218.75</u>	<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>
Business-type Activities										
Net Investment in Capital Assets	\$ 235,078.88	\$ 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
Unrestricted (Deficit)	<u>216,073.74</u>	<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>(156,306.00)</u>
Total Business-type Activities Net Position	<u>\$ 451,152.62</u>	<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>
Government-wide										
Net Investment in Capital Assets	\$ 9,471,295.14	\$ 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
Restricted	2,766,780.14	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
Unrestricted (Deficit)	<u>6,667,296.09</u>	<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>
Total Government-wide Net Position	<u>\$ 18,905,371.37</u>	<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>

(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

	2023	2022(5)	2021 (4)	2020	Fiscal Year Ending June 30,		2017	2016 (1)	2015 (2)	2014
					2019	2018 (3)				
Expenses										
Governmental Activities										
Instruction									\$ 8,092,058.48	\$ 8,377,052.13
Administration									7,950,283.88	6,804,647.11
Support Services									5,261,626.38	4,593,787.61
Regular Instruction	\$ 10,099,475.24	\$ 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	626,083.33	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	253,652.93	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	41,310.84	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	110,794.75	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								63,690.00		
Community Service Programs	650,699.57	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	4,273,570.83	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	990,448.60	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	2,579,997.56	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	1,784,503.10	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	958,652.28	725,859.99	353,784.28	293,296.24	320,861.64	370,525.12	358,905.81	287,316.10		
Unallocated Benefits	6,810,552.17	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	1,176,669.60	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
Total Governmental Activities Expenses	<u>30,356,410.80</u>	<u>28,725,189.34</u>	<u>29,296,988.91</u>	<u>28,641,903.99</u>	<u>28,750,112.45</u>	<u>29,832,547.86</u>	<u>28,003,549.72</u>	<u>24,903,359.71</u>	<u>22,646,254.07</u>	<u>20,616,907.02</u>
Business-type Activities:										
Food Service	1,934,492.04	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
Total Business-type Activities Expense	<u>1,934,492.04</u>	<u>1,688,521.52</u>	<u>1,213,514.83</u>	<u>1,081,986.16</u>	<u>1,447,335.09</u>	<u>1,505,505.32</u>	<u>1,419,605.26</u>	<u>1,377,923.54</u>	<u>1,244,851.63</u>	<u>1,145,665.68</u>
Total Government-Wide Expenses	<u>\$ 32,290,902.84</u>	<u>\$ 30,413,710.86</u>	<u>\$ 30,510,503.74</u>	<u>\$ 29,723,890.15</u>	<u>\$ 30,197,447.54</u>	<u>\$ 31,338,053.18</u>	<u>\$ 29,423,154.98</u>	<u>\$ 26,281,283.25</u>	<u>\$ 23,891,105.70</u>	<u>\$ 21,762,572.70</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 111,339.88	\$ 85,937.97	\$ 18,156.72							
Operating Grants and Contributions	10,105,591.57	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
Capital Grants and Contributions	517,645.35	568,579.02	28,176.26	61,136.22	14,189.25					
Total Governmental Activities Program Revenues	<u>10,734,576.80</u>	<u>10,715,971.90</u>	<u>8,690,049.17</u>	<u>5,959,751.34</u>	<u>6,505,133.97</u>	<u>7,693,228.45</u>	<u>6,348,097.00</u>	<u>4,946,929.04</u>	<u>3,750,804.89</u>	<u>2,913,464.88</u>
Business-type activities:										
Food Services:										
Charges for services	265,905.56	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
Operating Grants and Contributions	1,465,622.99	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
Total Business-type Activities Program Revenues	<u>1,731,528.55</u>	<u>1,830,165.56</u>	<u>1,346,600.04</u>	<u>1,018,591.47</u>	<u>1,494,589.93</u>	<u>1,525,626.07</u>	<u>1,504,318.64</u>	<u>1,343,300.60</u>	<u>1,218,673.04</u>	<u>1,044,537.20</u>
Total Government-Wide Program Revenues	<u>\$ 12,466,105.35</u>	<u>\$ 12,546,137.46</u>	<u>\$ 10,036,649.21</u>	<u>\$ 6,978,342.81</u>	<u>\$ 7,999,723.90</u>	<u>\$ 9,218,854.52</u>	<u>\$ 7,852,415.64</u>	<u>\$ 6,290,229.64</u>	<u>\$ 4,969,477.93</u>	<u>\$ 3,958,002.08</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (19,621,834.00)	\$ (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)
Business-type Activities	(202,963.49)	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)
Total Government-Wide Net Expense	<u>\$ (19,824,797.49)</u>	<u>\$ (17,867,573.40)</u>	<u>\$ (20,473,854.53)</u>	<u>\$ (22,745,547.34)</u>	<u>\$ (22,197,723.64)</u>	<u>\$ (22,119,198.66)</u>	<u>\$ (21,570,739.34)</u>	<u>\$ (19,991,053.61)</u>	<u>\$ (18,921,627.77)</u>	<u>\$ (17,804,570.62)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Charter School Aid	\$ 24,138,995.00	\$ 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
State and Federal Aid - Not Restricted	85,130.46	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
Investment Earnings	226,237.02	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	70,983.93	72,362.42								
Lease Revenue	72,601.20	72,601.20								
Miscellaneous Income	2,133,177.95	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
Loss on Disposal of Capital Assets	(7,020.00)				(2,440.00)					
Special Item: Forgiveness of Debt					1,965,218.00					
Transfers								(4,958.19)	(175,921.11)	(188,671.98)
Total Governmental Activities	<u>\$ 26,720,105.56</u>	<u>\$ 24,278,189.84</u>	<u>\$ 22,489,196.04</u>	<u>\$ 21,358,882.75</u>	<u>\$ 23,195,148.94</u>	<u>\$ 21,646,074.36</u>	<u>\$ 21,622,680.01</u>	<u>\$ 19,877,378.70</u>	<u>\$ 20,149,004.96</u>	<u>\$ 18,547,441.69</u>

(Continued)

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

	2023	2022(5)	2021 (4)	2020	Fiscal Year Ending June 30,		2017	2016 (1)	2015 (2)	2014
					2019	2018 (3)				
General Revenues and Other Changes in Net Position (Cont'd)										
Business-type Activities:										
Investment Earnings	\$ 6,506.73	\$ 224.13	\$ 77.61	\$ 1,246.87	\$ 1,923.22	\$ 465.78	\$ 68.24	\$ 45.75	\$ 30.70	\$ 28.13
Loss on Disposal of Capital Assets	(660.00)	(616.00)								
Transfers								4,958.19	175,921.11	188,671.98
Total Business-type Activities	5,846.73	(391.87)	77.61	1,246.87	1,923.22	465.78	68.24	5,003.94	175,951.81	188,700.11
Total Government-Wide	\$ 26,725,952.29	\$ 24,277,797.97	\$ 22,489,273.65	\$ 21,360,129.62	\$ 23,197,072.16	\$ 21,646,540.14	\$ 21,622,748.25	\$ 19,882,382.64	\$ 20,324,956.77	\$ 18,736,141.80
Change in Net Position										
Governmental Activities	\$ 7,098,271.56	\$ 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
Business-type Activities	(197,116.76)	141,252.17	133,162.82	(62,147.82)	49,178.06	20,586.53	84,781.62	(29,619.00)	149,773.22	87,571.63
Total Government-Wide	\$ 6,901,154.80	\$ 6,410,224.57	\$ 2,015,419.12	\$ (1,385,417.72)	\$ 999,348.52	\$ (472,658.52)	\$ 52,008.91	\$ (108,670.97)	\$ 1,403,329.00	\$ 931,571.18

(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

	<u>2023</u>	<u>2022</u>	<u>2021 (1)</u>	<u>2020</u>	<u>Fiscal Year Ending June 30,</u>		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
					<u>2019</u>	<u>2018</u>				
Fund Balances										
Nonspendable		\$ 2,311.93						\$ 61,372.21		
Restricted:										
Debt Service Reserve	\$ 75,536.03	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
Sinking Fund Reserve						1,986,905.35	1,688,380.98	1,392,276.53	1,097,546.66	804,592.87
State Mandated Reserve	75,000.00	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	3,000,000.00						
Committed:										
Other Purposes									857,436.99	406,541.17
Future Capital Outlay	2,000,000.00	2,000,000.00								
Assigned:										
Other Purposes	106,800.00	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
Unassigned:										
General Fund	<u>10,999,063.62</u>	<u>5,403,838.45</u>	<u>2,688,807.91</u>	<u>779,952.63</u>	<u>1,562,343.58</u>	<u>699,748.29</u>	<u>712,354.16</u>	<u>630,046.58</u>	<u>1,275,372.38</u>	<u>486,804.34</u>
Total General Fund	<u>\$ 16,256,399.65</u>	<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>
All Other Governmental Funds										
Restricted	\$ 1,325,092.85	\$ 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>\$ 1,325,092.85</u>	<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>

(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.									
	2023	2022	2021 (2)	2020	2019	2018	2017	2016 (1)	2015	2014
Revenues										
Revenue from Local Sources	\$ 2,589,001.18	\$ 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
Charter School Aid:										
Equalization Aid - State and Local Share	23,003,773.00	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
Categorical Aid	1,135,222.00	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
Other State Sources	4,325,734.80	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
Federal Sources	6,360,345.95	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
Total Revenue	37,414,076.93	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
Expenditures										
Instruction									7,186,530.87	7,321,896.38
Administration									6,878,154.05	6,787,372.48
Support Services									4,948,052.00	4,843,084.84
Regular Instruction	8,966,516.61	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	626,083.33	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	253,652.93	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	41,310.84	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	110,794.75	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							61,088.45	63,690.00	59,508.00	
Community Service Programs	660,402.12	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	4,260,091.23	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	969,088.14	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	2,329,670.78	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	2,805,927.74	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	775,574.42	539,403.19	342,640.53	265,536.24	291,711.64	341,375.12	338,502.41	287,316.10		
Unallocated Benefits	3,616,493.41	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	4,055,554.19	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	1,203,591.87	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
Capital Outlay	1,085,777.21	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
Total Expenditures	31,760,529.57	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,653,547.36	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
Other Financing Sources (Uses)										
Trustee Payment of Debt Service								(896,827.08)	(591,770.00)	(588,870.00)
Deposits Held with Trustee for Debt Service								556,040.97	600,354.83	597,703.60
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
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	37,445.18	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)	
Transfer to Fund Deficit in Food Service Enterprise Fund								(4,958.19)	(175,921.11)	
Transfers Out	(250,000.00)					(13,422.63)				
Transfer In	250,000.00					13,422.63				
Total Other Financing Sources (Uses)	37,445.18	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
Net Change in Fund Balances	\$ 5,690,992.54	\$ 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
Debt Service as a Percentage of Noncapital Expenditures	4.1%	4.1%	4.2%	3.6%	4.8%	7.0%	7.3%	7.5%	9.0%	8.8%

(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>2023</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>
Donations	\$ 1,250.00	\$ 50.00	\$ 90,455.65	\$ 3,628.65	\$ 577.10	\$ 121.11	\$ 170.00	\$ 75,170.00	\$ 418.96	
E-Rate Reimbursements	124,537.45	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	131,432.07	34,652.23	91,354.00							
Insurance Claims	122,725.88	153,154.31								
Sale of Assets			3,600.00							
Shared Services	154,719.96	106,740.44								
Miscellaneous	103,816.51	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
Refunds	683,697.44	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
Cancellation of Prior Year Accounts Receivable or Accounts Payable		101,282.23				(48,999.39)			4,211.85	10,727.64
	<u>\$ 1,322,179.31</u>	<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>

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>					Total <u>Charter School</u>	Percentage of Personal <u>Income (1)</u>	<u>Per Capita (1)</u>
	General Obligation <u>Bonds</u>	Mortgages <u>Payable</u>	Financed <u>Purchases</u>	Loans <u>Payable</u>				
2023	\$ 18,878,554.93		\$ 494,812.91	\$ 4,839,252.78	\$ 24,212,620.62	Unavailable	Unavailable	
2022	19,689,492.46		648,767.19	5,033,889.74	25,372,149.39	Unavailable	\$ 357.37	
2021	20,467,003.33		912,176.65	5,220,992.76	26,600,172.74	0.60%	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	

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 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>
2023	Unavailable	Unavailable	Unavailable	Unavailable
2022	70,996	Unavailable	Unavailable	7.3%
2021	71,773	\$ 4,424,231,266.00	\$ 61,642.00	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%

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>2023</u>			<u>2014</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	27.89%	12,128	1	54.58%
United States Cold Storage	5,000	2	19.92%			
Cooper Anesthesia Associates PA	4,758	3	18.96%			
Virtua Our Lady Of Lourdes Medical Center	1,468	4	5.85%	2,142	3	9.64%
Campbell Soup Co/ Campbell Away from Home	700	5	2.79%	1,200	6	5.40%
Holtec Internatinal Emta1-4	500	6	1.99%			
Subaru of America Inc.	400	7	1.59%			
Cooper Pediatric Care at Camden	381	8	1.52%			
Virtua Health and Wellness Center	371	9	1.48%			
NFI/ NFI Industries	350	10	1.39%			
On Time Staffing LLC				10,000	2	45.00%
The New Jersey Transit Corporation				1,734	4	7.80%
Diocese of Camden New Jersey				1,260	5	5.67%
L-3 Communication Systems-East				800	7	3.60%
Delaware River Port Authority				623	8	2.80%
Will-Son Corp				200	10	0.90%
Lockheed Martin Corporation				473	9	2.13%
	<u>20,928</u>		<u>83.38%</u>	<u>30,560</u>		<u>137.52%</u>

(1) Source: ReferenceUSA.Com (2023)

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>2023</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>
Instruction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	113	102
Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16	21
Support Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38	40
Regular Instruction	108	109	103	101	112	131	120	118		
Special Education Instruction	9	8	8	9	11	11	8	11		
Basic Skills Remedial Instruction	1							1		
Bilingual Education Instruction	4	4	4	2	2	3	9	4		
Extra Curricular Activities Instruction					2	3		2		
Athletics Instruction	11	10	10	5	19	15	15	13		
Summer School	34	34	34	34	35	40	40	40		
Other Supplemental At Risk Programs						1	1	1		
Community Service Programs	7	6	6	6	6	4	7	4		
Student and Instruction Related Services	19	22	22	22	19	20	20	21		
School Administrative Services	13	13	13	13	13	21	24	20		
Other Administrative Services	11	10	10	10	13	13	15	24		
Plant Operations and Maintenance	34	36	35	35	32	25	11	9		
Pupil Transportation	9	7	3	3	2	2	2	3		
Total	260	259	248	240	266	289	272	271	167	163

Source: Charter School Personnel Records

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

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

Fiscal Year Ending June 30,	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary (K-5)	Middle School (6-8)	High School (9-12)				
2023	1,576	\$ 29,471,160.49	\$ 18,699.97	6.21%	122	1:20	1:20	1:20	1,539	1,443	-0.52%	93.76%
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%

Sources: Charter School 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>2023</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>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	486	480	491	484	487	476	487	479	480	480
<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	366	365	360	360	364	363	354	352	352
<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	300	480	480
Enrollment	245	238	238	230	226	241	242	243	481	481
<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	479	483	481	466	437	444	478	366		

Number of Schools at June 30, 2023

- 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, 2023
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy:		
New Jersey School Insurance Group		
Property Section		
Blanket Building & Business Personal Property	\$ 67,271,808.00	\$ 1,000.00
Commercial Inland Marine Section		
Blanket Hardware and Software - Limit per occurrence	1,000,000.00	1,000.00
Boiler and Machinery Section		
Combined Single Limit per Accident for Property Damage and Business Income. Per Accident for Property Damage, 12 hours per accident for Business interruption/ Extra Expense, interruption of service waiting period 24 hours.	100,000,000.00	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 - Through 1/31/2023	260,000.00	
Treasurer - From 2/1/2023	250,000.00	
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 PCI Fines, Expenses and Costs	1,000,000.00	
Limits of Coverage for Privacy Breach Response Services:		
Notified Individuals - 250,000 Aggregate		
Computer Expert Services, Legal Services and Public Relations and Crisis Management Expenses	1,000,000.00	
Self-Insured Retention:		
Liability - each claim	25,000.00	
Notified Individuals - 25		
Computer Expert Services, Legal Services and Public Relations and Crisis Management Expenses	60,000.00	
Legal	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

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	\$ 8,619,795.90	\$ 12,227,434.07	\$ 18,924,879.93	Audit: Exhibit A-1
Current Assets (include cash)	9,887,408.67	14,938,452.38	21,091,307.05	Audit: Exhibit A-1
Current Liabilities	3,094,031.65	3,018,363.08	3,663,816.23	Audit: Exhibit A-1
Total Expenses	20,473,854.53	17,867,573.40	19,824,797.49	Audit: Exhibit A-2
Change in Net Position	2,015,419.12	6,410,224.57	6,901,154.80	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	1,543	1,547	1,539	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)	590,273.85	(700,099.51)	(641,935.03)	Audit: Exhibit B-3
Depreciation Expense	1,620,287.29	1,812,001.70	1,848,101.45	Auditor/Workpapers
Interest Expense	1,250,994.25	1,211,973.41	1,176,669.60	Auditor/Workpapers
Principal Payments	1,203,202.65	1,228,023.35	1,154,273.38	Auditor/Workpapers
Interest Payments	1,232,953.48	1,207,907.57	1,160,398.30	Auditor/Workpapers

Performance Indicators	2021	2022	2023	3 YR CUM	Calculation****	Target****
Near Term Indicators						
1a. Current Ratio (working capital ratio)	3.20	4.95	5.76		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	154	250	348		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	99%	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	1,773,814	3,607,638	6,697,446	12,078,898	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	2.25	3.59	4.01		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
 *** 2023 =2023 Cash - 2022 Cash; 2022 =2022 Cash-2021 Cash; 2021 =2021 Cash-2020 Cash
 **** Refer to NJ Performance Framework

Meets Standard	
Does Not Meet Standard	
Falls Far Below Standard	

SINGLE AUDIT SECTION

**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 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, 2023, 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 February 7, 2024. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the restatement of the prior period financial statements resulting from 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
February 7, 2024

Exhibit 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**

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, 2023. 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, 2023.

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
February 7, 2024

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2023

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, 2022
						From	To	
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medical Assistance Program (Medicaid Cluster)	93.778		2005NJ5MAP	N/A	\$ 41,217.30	7/1/22	6/30/23	
Pass-through State Department of Health Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19, 93.323	NU50CK000525	N/A	28,992.64	8/1/19	7/31/24	\$ (1,954.56)
Total General Fund								<u>(1,954.56)</u>
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		S010A210030	ESSA710922	1,184,177.00	7/1/21	9/30/22	(463,833.52)
Title I Grants to Local Educational Agencies	84.010		S010A220030	ESSA710923	1,289,672.00	7/1/22	9/30/23	
Title I Grants to Local Educational Agencies - SIA	84.010		S010A220030	ESSA710923	15,100.00	7/1/22	9/30/23	
Total Title I Grants to Local Educational Agencies								<u>(463,833.52)</u>
Supporting Effective Instruction State Grants (Title II)	84.367		S367A210029	ESSA710922	104,036.00	7/1/21	9/30/22	(4,876.52)
Supporting Effective Instruction State Grants (Title II)	84.367		S367A220029	ESSA710923	127,396.00	7/1/22	9/30/23	
Total Supporting Effective Instruction State Grants (Title II)								<u>(4,876.52)</u>
English Language Acquisition Grants (Title III)	84.365		S365A210030	ESSA710922	28,398.00	7/1/21	9/30/22	(14,556.46)
English Language Acquisition Grants (Title III)	84.365		S365A220030	ESSA710923	23,468.00	7/1/22	9/30/23	
English Language Acquisition Grants (Title III Immigrant)	84.365		S365A220030	ESSA710923	3,637.00	7/1/22	9/30/23	
Total English Language Acquisition Grants (Title III)								<u>(14,556.46)</u>
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A210031	ESSA710922	108,892.00	7/1/21	9/30/22	(10,404.68)
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A220031	ESSA710923	96,038.00	7/1/22	9/30/23	
Total Student Support & Academic Enrichment Grant (Title IV)								<u>(10,404.68)</u>
Individuals with Disabilities Education Act (IDEA):								
Special Education Cluster (IDEA):								
Special Education Grants to States (IDEA Basic)	84.027		H027A210100	IDEA710922	367,657.00	7/1/21	9/30/22	(201,443.97)
Special Education Grants to States (IDEA Basic)	84.027		H027A220100	IDEA710923	399,224.00	7/1/22	9/30/23	
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	(440.21)
Total Special Education Grants to States (IDEA Basic)								<u>(201,884.18)</u>
Special Education Grants to States (IDEA Preschool)	84.173		H173A220114	IDEA710923	7,293.00	7/1/22	9/30/23	
Total Special Education Cluster (IDEA)								<u>(201,884.18)</u>
Education Stabilization Fund (ESF):								
Coronavirus Response and Relief Supplemental Appropriations:								
(CRRSA-ESSER II):								
Addressing Student Learning	84.425	COVID-19, 84.425D	S425D210027	Unavailable	3,272,131.00	03/13/20	09/30/23	(673,145.85)
Learning Acceleration	84.425	COVID-19, 84.425D	S425D210027	Unavailable	209,988.00	03/13/20	09/30/23	
Mental Health	84.425	COVID-19, 84.425D	S425D210027	Unavailable	45,000.00	03/13/20	09/30/23	
(ARP-ESSER):								
ARP-ESSER	84.425	COVID-19, 84.425U	S425U210027	Unavailable	2,194,817.00	03/13/20	09/30/24	(903,503.69)
Accelerated Learning Coach and Educator Support	84.425	COVID-19, 84.425U	S425U210027	Unavailable	119,283.00	03/13/20	09/30/24	
Evidence Based Summer Learning and Enrichment	84.425	COVID-19, 84.425U	S425U210027	Unavailable	40,000.00	03/13/20	09/30/24	
Evidence Based Comprehensive Beyond the School Day	84.425	COVID-19, 84.425U	S425U210027	Unavailable	40,000.00	03/13/20	09/30/24	
NJTSS Mental Health Support Staff	84.425	COVID-19, 84.425U	S425U210027	Unavailable	45,000.00	03/13/20	09/30/24	
ARP Homeless Children and Youth	84.425	COVID-19, 84.425W	S425W210027	Unavailable	25,913.00	04/23/21	09/30/23	
Total Education Stabilization Fund								<u>(1,576,649.54)</u>
Total U.S. Department of Education - Passed-through N.J. State Department of Education								<u>(2,272,204.90)</u>
U.S. Department of Treasury								
Passed-through State Department of Community Affairs:								
Coronavirus State and Local Fiscal Recovery Funds:								
School and Small Business Energy Efficiency Stimulus Program	21.027	COVID-19, 21.027	SLFRP1024	SSB-VEEVR 67715	1,489,126.50	9/20/22	3/20/24	
Total Special Revenue Fund								<u>(2,272,204.90)</u>
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	221NJ304N1099	N/A	449,723.82	7/1/21	6/30/22	(35,652.03)
School Breakfast Program (SBP)	10.553		231NJ304N1099	N/A	376,670.51	7/1/22	6/30/23	
Total School Breakfast Program (SBP)								<u>(35,652.03)</u>
National School Lunch Program - Commodities (Noncash)	10.555		231NJ304N1099	N/A	99,859.24	7/1/22	6/30/23	
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	(75,901.75)
National School Lunch Program	10.555		231NJ304N1099	N/A	852,581.57	7/1/22	6/30/23	
National School Lunch Program - After School Snack Program	10.555		221NJ304N1099	N/A	13,660.00	7/1/21	6/30/22	(2,569.00)
National School Lunch Program - After School Snack Program	10.555		231NJ304N1099	N/A	43,094.16	7/1/22	6/30/23	
National School Lunch Program - Supply Chain Assistance	10.555	COVID-19, 10.555	221NJ344N8903	N/A	84,273.29	1/1/22	9/30/23	(34,924.77)
Total National School Lunch Program (NSLP)								<u>(113,395.52)</u>
Total Child Nutrition Cluster								<u>(149,047.55)</u>
Total Enterprise Fund								<u>(149,047.55)</u>
Total Federal Financial Assistance								<u>\$ (2,423,207.01)</u>

(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	Adjustments ^(a)	Repayment of Prior Years' Balances	Balance, June 30, 2023		Due to Grantor at June 30, 2023
	Cash Received	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
\$ 41,217.30	\$ (41,217.30)			\$ (41,217.30)						
3,094.72	(1,140.16)			(1,140.16)						
44,312.02	(42,357.46)			(42,357.46)						
463,833.00						\$ 0.52				
891,447.00	(1,289,671.63)			(1,289,671.63)				\$ (398,224.63)		
1,355,280.00	(1,289,671.63)			(1,289,671.63)		0.52		(398,224.63)		
4,877.00						(0.48)				
120,166.00	(120,166.00)			(120,166.00)						
125,043.00	(120,166.00)			(120,166.00)		(0.48)				
14,556.00						0.46				
18,198.00	(21,635.20)			(21,635.20)				(3,437.20)		
3,637.00	(3,637.00)			(3,637.00)						
36,391.00	(25,272.20)			(25,272.20)		0.46		(3,437.20)		
10,404.00						0.68				
92,517.00	(94,342.32)			(94,342.32)				(1,825.32)		
102,921.00	(94,342.32)			(94,342.32)		0.68		(1,825.32)		
201,444.00						(0.03)				
257,421.00	(342,785.00)			(342,785.00)				(85,364.00)		
66,350.00	(78,913.79)			(78,913.79)				(13,004.00)		
525,215.00	(421,698.79)			(421,698.79)		(0.03)		(98,368.00)		
7,293.00	(7,293.00)			(7,293.00)						
532,508.00	(428,991.79)			(428,991.79)		(0.03)		(98,368.00)		
1,363,463.00	(783,697.15)			(783,697.15)				(93,380.00)		
138,000.00	(140,250.17)			(140,250.17)				(2,250.17)		
43,650.00	(45,000.00)			(45,000.00)				(1,350.00)		
3,071,131.00	(3,112,282.28)			(3,112,282.28)				(944,654.97)		
129,318.00	(136,818.45)			(136,818.45)				(7,500.45)		
38,869.00	(38,869.00)			(38,869.00)						
31,995.00	(31,995.00)			(31,995.00)						
30,750.00	(34,500.00)			(34,500.00)				(3,750.00)		
8,096.00	(8,096.00)			(8,096.00)						
4,855,272.00	(4,331,508.05)			(4,331,508.05)				(1,052,885.59)		
7,007,415.00	(6,289,951.99)			(6,289,951.99)		1.15		(1,554,740.74)		
28,036.50	(28,036.50)			(28,036.50)						
7,035,451.50	(6,317,988.49)			(6,317,988.49)		1.15		(1,554,740.74)		
35,652.03										
357,456.23	(376,670.51)			(376,670.51)				(19,214.28)		
393,108.26	(376,670.51)			(376,670.51)				(19,214.28)		
99,859.24	(99,859.24)			(99,859.24)						
75,901.75										
809,552.10	(852,581.57)			(852,581.57)				(43,029.47)		
2,569.00										
40,903.92	(43,094.16)			(43,094.16)				(2,190.24)		
84,273.29	(49,348.52)			(49,348.52)						
1,113,059.30	(1,044,883.49)			(1,044,883.49)				(45,219.71)		
1,506,167.56	(1,421,554.00)			(1,421,554.00)				(64,433.99)		
1,506,167.56	(1,421,554.00)			(1,421,554.00)				(64,433.99)		
\$ -	\$ 8,585,931.08	\$ (7,781,899.95)	\$ -	\$ (7,781,899.95)	\$ -	\$ 1.15	\$ -	\$ (1,619,174.73)	\$ -	\$ -

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		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	\$ (5,191.00)	\$ 4,442.00	
Local Levy-Equalization Aid (State and Local Share)	22-495-034-5121-078	21,418,192.00	7/1/21	6/30/22	(254,204.00)	119,337.00	
Local Levy-Equalization Aid (State and Local Share)	23-495-034-5121-078	23,003,773.00	7/1/22	6/30/23			
Categorical Special Education Aid	23-495-034-5121-089	360,021.00	7/1/22	6/30/23			
Categorical Security Aid	23-495-034-5121-084	775,201.00	7/1/22	6/30/23			
Total Passed-Through Local Education Agencies					(259,395.00)	123,779.00	
State Aid - Public:							
Charter School Aid							
Non-public Charter School Aid	23-495-034-5120-071	29,010.00	7/1/22	6/30/23			
Total Charter School Aid							
Total State Aid - Public					(259,395.00)	123,779.00	
Extraordinary Aid							
23-495-034-5120-044		12,798.00	7/1/22	6/30/23			
T.P.A.F. Social Security Aid							
22-495-034-5094-003		570,711.10	7/1/21	6/30/22	(27,194.18)		
23-495-034-5094-003		639,126.19	7/1/22	6/30/23			
Total Reimbursed TPAF Social Security Contributions					(27,194.18)		
Lead Testing for Schools							
23-495-034-5120-104		965.00	7/1/22	6/30/23			
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted):							
T.P.A.F. Post-Retirement Medical	23-495-034-5094-001	710,291.00	7/1/22	6/30/23			
Teacher's Pension and Annuity Fund	23-495-034-5094-002	2,666,834.00	7/1/22	6/30/23			
T.P.A.F. LTDI	23-495-034-5094-004	2,304.00	7/1/22	6/30/23			
T.P.A.F. Non-contributory Insurance	23-495-034-5094-004	36,999.00	7/1/22	6/30/23			
Total On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted)							
Total General Fund					(286,589.18)	123,779.00	
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							
Charter School Facility Improvements	22-495-034-5120-112-H030-6060	132,430.00	2/3/22	Completion	9,400.00		
Charter School Facility Improvements	23-495-034-5120-124	251,547.00	10/25/22	Completion			
Total Charter and Renaissance School Project Emergent and Capital Maintenance Fund Allocations					9,400.00		
Climate Change Education Grants to Schools							
23-100-034-5063-359		6,660.00	4/1/23	6/30/23			
Total Special Revenue Fund					9,400.00		
Enterprise Fund:							
New Jersey Department of Agriculture:							
National School Lunch Program - Seamless Summer Option - State							
22-100-010-3350-023		23,250.60	7/1/21	6/30/22	(1,746.78)		
National School Lunch Program - State	23-100-010-3350-023	23,521.99	7/1/22	6/30/23			
State School Reduced Breakfast Program	23-495-010-3350-002	5,043.60	7/1/22	6/30/23			
Breakfast After the Bell	23-495-010-3350-004	15,503.40	7/1/22	6/30/23			
Total Enterprise Fund					(1,746.78)		
Total State Financial Assistance					\$ (278,935.96)	\$ 123,779.00	\$ -
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	23-495-034-5094-001	710,291.00	7/1/22	6/30/23			
Teacher's Pension and Annuity Fund	23-495-034-5094-002	2,666,834.00	7/1/22	6/30/23			
T.P.A.F. LTDI	23-495-034-5094-004	2,304.00	7/1/22	6/30/23			
T.P.A.F. Non-contributory Insurance	23-495-034-5094-004	36,999.00	7/1/22	6/30/23			
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, 2023			Memo	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
\$ 5,191.00							\$ 4,442.00		\$ 19,023,629.00
259,985.00				\$ (125,118.00)					21,418,192.00
22,675,169.20	\$ (23,003,773.00)				\$ (328,603.80)				23,003,773.00
360,021.00	(360,021.00)								360,021.00
775,201.00	(775,201.00)								775,201.00
<u>24,075,567.20</u>	<u>(24,138,995.00)</u>			<u>(125,118.00)</u>	<u>(328,603.80)</u>		<u>4,442.00</u>		<u>64,580,816.00</u>
40,813.00	(29,010.00)						11,803.00		29,010.00
40,813.00	(29,010.00)						11,803.00		29,010.00
<u>24,116,380.20</u>	<u>(24,168,005.00)</u>			<u>(125,118.00)</u>	<u>(328,603.80)</u>		<u>16,245.00</u>		<u>64,609,826.00</u>
	<u>(12,798.00)</u>				<u>(12,798.00)</u>				<u>12,798.00</u>
27,194.18									570,711.10
602,228.73	(639,126.19)				(36,897.46)				639,126.19
<u>629,422.91</u>	<u>(639,126.19)</u>				<u>(36,897.46)</u>				<u>1,209,837.29</u>
965.00	(965.00)								965.00
710,291.00	(710,291.00)								710,291.00
2,666,834.00	(2,666,834.00)								2,666,834.00
2,304.00	(2,304.00)								2,304.00
36,999.00	(36,999.00)								36,999.00
<u>3,416,428.00</u>	<u>(3,416,428.00)</u>								<u>3,416,428.00</u>
28,163,196.11	(28,237,322.19)			(125,118.00)	(378,299.26)		16,245.00		69,249,854.29
58,773.00	(87,889.00)				(29,116.00)				
251,547.00	(9,400.00) (123,458.61)						\$ 128,088.39		251,547.00
251,547.00	(132,858.61)						128,088.39		251,547.00
6,660.00	(6,660.00)								6,660.00
<u>316,980.00</u>	<u>(227,407.61)</u>				<u>(29,116.00)</u>		<u>128,088.39</u>		<u>258,207.00</u>
1,746.78									23,250.60
22,360.74	(23,521.99)				(1,161.25)				23,521.99
4,812.90	(5,043.60)				(230.70)				5,043.60
14,714.90	(15,503.40)				(788.50)				15,503.40
<u>43,635.32</u>	<u>(44,068.99)</u>				<u>(2,180.45)</u>				<u>67,319.59</u>
<u>\$ 28,523,811.43</u>	<u>\$ (28,508,798.79)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125,118.00)</u>	<u>\$ (409,595.71)</u>	<u>\$ 128,088.39</u>	<u>\$ 16,245.00</u>	<u>\$ -</u>	<u>\$ 69,575,380.88</u>

\$ (710,291.00)
(2,666,834.00)
(2,304.00)
(36,999.00)
(3,416,428.00)
\$ (25,092,370.79)

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, 2023

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 exception: 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. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

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.

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is zero for the general fund and 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 where an adjustment of \$25,652.93 is disclosed in revenues for local grant awards.

The revenues reported on a GAAP basis from the basic financial statements agree with the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 42,357.46	\$ 28,237,322.19	\$ 28,279,679.65
Special Revenue	6,317,988.49	227,407.61	6,545,396.10
Food Service	1,421,554.00	44,068.99	1,465,622.99
Total Awards and Financial Assistance Expended	<u>\$ 7,781,899.95</u>	<u>\$ 28,508,798.79</u>	<u>\$ 36,290,698.74</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 rounding in the collection of receivables.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, 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, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>S010A220030</u>	<u>Title I Grants to Local Educational Agencies</u>
<u> </u>	<u> </u>	<u>Education Stabilization Fund:</u>
<u> </u>	<u> </u>	<u>Elementary and Secondary School Emergency Relief Fund:</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>(CRRSA- ESSER II) - Addressing Student Learning</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>(CRRSA- ESSER II) - Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>(CRRSA- ESSER II) - Mental Health</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>(ARP ESSER) - Accelerated Learning Coach and Educator Support</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>(ARP ESSER) - Evidence Based Summer Learning and Enrichment</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>(ARP ESSER) - Evidence Based Comprehensive Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER NJTSS Mental Health Support Staffing</u>
<u>84.425W</u>	<u>S425W210027</u>	<u>ARP Homeless Children and Youth</u>

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

Auditee qualified as low-risk auditee? X yes ___ no

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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:

495-034-5120-078

Local Levy - Equalization Aid (State and Local Share)

495-034-5120-089

Categorical Special Education Aid

495-034-5120-084

Categorical Security Aid

495-034-5120-071

Non-public Charter School Aid

Dollar threshold used to distinguish between type A and type B programs:

\$ 752,771.00

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, 2023

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, 2023

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, 2023

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.

