



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

FINANCIAL STATEMENTS

JUNE 30, 2019

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

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(A Component Unit of the State of Delaware)

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INDEPENDENT AUDITOR'S REPORT

September 30, 2019

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Las Américas ASPIRA Academy ("the School"), Newark, Delaware (a component unit of the State of Delaware), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

Board of Directors
Las Américas ASPIRA Academy

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Las Américas ASPIRA Academy as of June 30, 2019, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Las Américas ASPIRA Academy's 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated September 28, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, and the budgetary comparison schedule - general fund, schedule of the School's proportionate share of the net pension liability, schedule of School pension contributions, schedule of the School's proportionate share of the net OPEB liability, and schedule of School OPEB contributions on pages 40 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Las Américas ASPIRA Academy

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2019**

This discussion and analysis of the financial performance of Las Américas ASPIRA Academy ("the School") provides an overview of the School's financial activities for the year ended June 30, 2019, which was the School's eighth year of operations. The School is located at 326 Ruthar Drive, Newark, DE 19711. Please read this analysis in conjunction with the Independent Auditor's Report and School's financial statements.

FINANCIAL HIGHLIGHTS

General revenues increased by 19.3 percent from \$9,526,750 to \$11,365,928, primarily due to an increase in state and local school district funding, both a direct result of the School's growing enrollment which went from 740 to 784 students. The School's total liabilities increased by 10.4 percent from \$41,916,338 to \$46,265,001.

USING THIS ANNUAL FINANCIAL REPORT

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

REPORTING THE SCHOOL AS A WHOLE

The Statement of Net Position and Statement of Activities

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

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

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

This analysis of the School's major funds and fund financial statements provides detailed information about the most significant funds - not the School as a whole. Some funds are required to be established

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

by State statute, while many other funds are established by the School to help manage money for particular purposes and compliance with various grant provisions.

Governmental Funds

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

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$18,080,753 at the close of the fiscal year. Note that investment in capital assets is reported net of related debt and net of depreciation. The School uses capital assets to provide services; consequently, these assets are not available for future spending.

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

**Table 1
NET POSITION
June 30, 2019 and 2018**

	Governmental Activities	
	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash, pooled cash, and investments	\$ 2,852,478	\$ 3,588,368
Receivables	30,973	81,641
Prepaid expenses	39,965	201,043
Total Current Assets	<u>2,923,416</u>	<u>3,871,052</u>
Noncurrent assets:		
Due from State	252,139	156,685
Capital assets, net of depreciation	20,352,063	20,639,732
Total Noncurrent Assets	<u>20,604,202</u>	<u>20,796,417</u>
Total Assets	<u>23,527,618</u>	<u>24,667,469</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources - pension	2,205,699	1,996,766
Deferred outflows of resources - OPEB	5,278,121	1,772,471
Total Deferred Outflows of Resources	<u>7,483,820</u>	<u>3,769,237</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 31,011,438</u>	<u>\$ 28,436,706</u>

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

**Table 1
NET POSITION
June 30, 2019 and 2018**

(cont'd)	Governmental Activities	
	2019	2018
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT		
Current liabilities:		
Accounts payable	\$ 31,276	\$ 46,419
Accrued salaries and related costs	1,273,789	946,386
Unearned revenue	17,511	12,948
Bonds payable	335,129	120,129
Total Current Liabilities	1,657,705	1,125,882
Noncurrent liabilities:		
Compensated absences	369,576	261,142
Bonds payable	21,983,997	22,319,126
Net pension liability	3,092,441	2,800,443
Net OPEB liability	19,161,282	15,409,745
Total Noncurrent Liabilities	44,607,296	40,790,456
Total Liabilities	46,265,001	41,916,338
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources - pension	175,718	49,374
Deferred inflows of resources - OPEB	2,651,472	1,829,484
Total Deferred Inflows of Resources	2,827,190	1,878,858
NET DEFICIT:		
Net investment in capital assets	(508,200)	(359,607)
Unrestricted (deficit)	(17,572,553)	(14,998,883)
Total Net Deficit	(18,080,753)	(15,358,490)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT	\$ 31,011,438	\$ 28,436,706

**Table 2
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2019 and 2018**

	Governmental Activities	
	2019	2018
REVENUES		
General revenues:		
Charges to school districts	\$ 3,523,535	\$ 3,075,591
Payments from primary government	7,204,190	6,142,755
Other local revenue	505,828	218,441
Interest income	132,375	89,963
Total General Revenues	11,365,928	9,526,750
Program revenues:		
Charges for services	377,460	316,737
Operation grants and contributions	862,706	1,514,353
Total Program Revenues	1,240,166	1,831,090
TOTAL REVENUES	12,606,094	11,357,840

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

**Table 2
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2019 and 2018**

(cont'd)	Governmental Activities	
	2019	2018
EXPENSES		
Instructional services	11,610,795	9,096,299
Support services:		
Operation and maintenance of facilities	1,271,370	1,122,176
Transportation	805,109	734,670
Food service	611,270	512,220
Interest on long-term debt	1,029,813	1,040,383
Loss on disposal of capital assets	-	2,497
TOTAL EXPENSES	<u>15,328,357</u>	<u>12,508,245</u>
Change in Net Deficit	<u>\$ (2,722,263)</u>	<u>\$ (1,150,405)</u>

Governmental Activities

Net position of the School's governmental activities decreased by \$2,722,263, and unrestricted net position reflects a negative balance of \$17,572,553.

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

	2019		2018	
	Total Cost	Net Cost	Total Cost	Net Cost
Governmental Activities:				
Instructional services	\$ 11,610,795	\$ 10,861,189	\$ 9,096,299	\$ 7,667,894
Support services:				
Operation and maintenance of facilities	1,271,370	1,261,770	1,122,176	1,112,576
Transportation	805,109	805,109	734,670	734,670
Food service	611,270	130,310	512,220	119,135
Interest on long-term debt	1,029,813	1,029,813	1,040,383	1,040,383
Loss on disposal of fixed assets	-	-	2,497	2,497
Total Expenses	<u>\$ 15,328,357</u>	<u>\$ 14,088,191</u>	<u>\$ 12,508,245</u>	<u>\$ 10,677,155</u>

The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for \$14,088,191 of support.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

THE SCHOOL'S FUNDS

The School's governmental funds (as presented on the balance sheet) reported a combined fund balance of \$1,600,840, compared to last year's total of \$2,865,299. The schedule below indicates the fund balance as of June 30, 2019 and 2018 and the change in fund balance for the year ended June 30, 2019.

	Governmental Funds		
	2019	2018	Change
FUND BALANCES			
Nonspendable	\$ 39,965	\$ 60,043	\$ (20,078)
Restricted	1,458,863	1,439,916	18,947
Unassigned	102,012	1,365,340	(1,263,328)
TOTAL FUND BALANCES	\$ 1,600,840	\$ 2,865,299	\$ (1,264,459)

Governmental Funds

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

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	2019	2018
REVENUES		
Charges to school districts	\$ 3,523,535	\$ 3,075,591
State aid	7,108,736	6,112,361
Federal aid	837,418	668,319
Interest income	87,246	44,834
Food service revenue	140,679	138,934
Other local revenues	515,428	228,041
After care	160,824	154,708
Donations	25,288	846,034
Summer camp	66,357	13,495
TOTAL REVENUES	12,465,511	11,282,317
EXPENDITURES		
Current:		
Instruction	9,796,473	8,001,570
Operation and maintenance of facilities	661,304	675,383
Transportation	805,109	734,670
Food service	611,270	512,220

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(cont'd)	2019	2018
Capital outlays:		
Property	592,730	2,774,595
Equipment	158,271	831,793
Debt service:		
Principal	75,000	140,390
Interest	1,029,813	1,040,383
TOTAL EXPENDITURES	13,729,970	14,711,004
NET CHANGE IN FUND BALANCES	(1,264,459)	(3,428,687)
FUND BALANCES, BEGINNING OF YEAR	2,865,299	6,293,986
FUND BALANCES, END OF YEAR	\$ 1,600,840	\$ 2,865,299

The largest revenue reported by the School for the year was for aid received from the State of Delaware, accounting for 57.0 percent of total revenues. Charges to local school districts for students attending the School was also significant, accounting for 28.3 percent.

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

GENERAL FUND AND DEBT SERVICE FUND BUDGET INFORMATION

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

The following are explanations for the more significant variances between budget versus actual revenues and expenditures as shown on page 40.

Revenues

State Aid

A favorable variance of \$1,181,099 is attributable primarily to adjustments to final state funding.

Federal Aid

A favorable variance of \$251,562 is attributable primarily to increased participation in our school meal program, which generated higher than projected revenue from federal aid. This was the positive result of operating a full service kitchen.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

Local Revenues

A combined favorable variance of \$645,659 is attributable to receiving a grant of \$215,000 from the New Schools Venture Fund in March 2019, increased local school district funding, as well as higher than anticipated receipts for our extended care programs.

Expenditures

Salaries and Employment Costs

A combined unfavorable variance of \$333,574 is a result of projecting salaries, health insurance, and other employment costs on a cash accounting method for the period of July 1, 2018 through June 30, 2019. Accrued salaries and other employment costs paid throughout the summer are included in the fiscal year 2019 Operating Budget.

Public Utilities Service

A favorable variance of \$9,761 is a result of the School operating the entire 125,000 sq. ft. building for the second full year after completion of the Phase IV Construction Project. The School has its entire HVAC system on a schedule, thus producing savings when the school building is "unoccupied."

Transportation - Buses

An unfavorable variance of \$13,129 is a result of the School under projecting for extracurricular transportation costs, such as the middle school sports trips and School field trips.

Contractual Services

A favorable variance of \$158,612 is the result of projecting costs for various contracted services that were instead included in the Library renovation and exterior grounds improvements project, as well as lower than anticipated medical (therapy service) costs.

Repairs and Maintenance

A favorable variance of \$31,043 is the result of conservatively projecting maintenance costs for the new 125,000 square foot building.

Capital Outlay

The combined unfavorable variance for capital outlay for property and equipment of \$91,001 is the result of the School's library renovation and exterior grounds improvements project, which was budgeted for in the Capital Projects Fund instead of the General Fund.

**LAS AMÉRICAS ASPIRA ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2019**

Capital Projects Fund

As of June 30, 2019, the School had a capital projects fund balance of \$1,458,863. This was an increase of \$18,947 from the prior year. The School pays for its general obligation bonds out of this fund. The District reported expenditures of \$1,111,112 in 2018 - 2019. These expenditures were primarily related to debt service payments.

CAPITAL ASSETS

The School has \$20,352,063 in net capital assets. Acquisitions for governmental activities totaled \$691,821, and depreciation was \$979,490. Detailed information regarding capital asset activity is included in Note 4 to the financial statements.

DEBT ADMINISTRATION

As of June 30, 2019, the School had total outstanding debt of \$22,319,126 in the form of revenue bonds issued for the purpose of refinancing previous debt and financing building improvements (Phase IV Construction).

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

FACTORS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS

Fiscal year 2019 was the eighth year of operation as a functioning K-8 School. The School's enrollment is at 784 with a planned enrollment of 945 students in fiscal year 2020. The Delaware Department of Education granted approval for us to expand to a High School with a planned opening in August 2020. We will operate the new campus at 750 Otts Chapel Rd, Newark, DE 19713. The School will incur some operational costs, as we now have possession of the new facility. Such costs are included in the FY 2020 Operating Budget. We will also complete a minor fit out of the new facility to accommodate the expansion, but we anticipate covering such capital costs with the procurement of additional grants. Additionally, larger enrollment will result in an increase in state and local district revenues, as well as an increase in operating expenses at our current K-8 school.

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

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**LAS AMÉRICAS ASPIRA ACADEMY
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and pooled cash	\$ 1,393,615	\$ 2,148,452
Investments	1,458,863	1,439,916
Accounts receivable	30,973	81,641
Deposits	-	141,000
Prepaid expenses	39,965	60,043
Total Current Assets	<u>2,923,416</u>	<u>3,871,052</u>
NONCURRENT ASSETS:		
Due from State	252,139	156,685
Land	529,959	529,959
Depreciable capital assets, net	19,822,104	20,109,773
Total Noncurrent Assets	<u>20,604,202</u>	<u>20,796,417</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension	2,205,699	1,996,766
Deferred OPEB	5,278,121	1,772,471
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,483,820</u>	<u>3,769,237</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u><u>\$ 31,011,438</u></u>	 <u><u>\$ 28,436,706</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 31,276	\$ 46,419
Accrued salaries and related costs	1,273,789	946,386
Unearned summer camp fees	17,511	12,948
Bonds payable	335,129	120,129
Total Current Liabilities	<u>1,657,705</u>	<u>1,125,882</u>
NONCURRENT LIABILITIES:		
Compensated absences	369,576	261,142
Bonds payable	21,983,997	22,319,126
Net pension liability	3,092,441	2,800,443
Net OPEB liability	19,161,282	15,409,745
Total Noncurrent Liabilities	<u>44,607,296</u>	<u>40,790,456</u>
 Total Liabilities	 <u>46,265,001</u>	 <u>41,916,338</u>
 DEFERRED INFLOWS OF RESOURCES:		
Deferred pension	175,718	49,374
Deferred OPEB	2,651,472	1,829,484
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,827,190</u>	<u>1,878,858</u>
 NET DEFICIT:		
Net investment in capital assets	(508,200)	(359,607)
Unrestricted (deficit)	(17,572,553)	(14,998,883)
Total Net Deficit	<u>(18,080,753)</u>	<u>(15,358,490)</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT	 <u><u>\$ 31,011,438</u></u>	 <u><u>\$ 28,436,706</u></u>

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

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With Summarized Comparative Data for June 30, 2018)

	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Deficit		
	Expenses	Charges for Services		Operating Grants and Contributions	Totals	
					2019	2018
GOVERNMENTAL ACTIVITIES						
Instructional services	\$ (11,610,795)	\$ 227,181	\$ 522,425	\$ -	\$ (10,861,189)	\$ (7,667,894)
Support services:						
Operation and maintenance of facilities	(1,271,370)	9,600	-	-	(1,261,770)	(1,112,576)
Transportation	(805,109)	-	-	-	(805,109)	(734,670)
Food service	(611,270)	140,679	340,281	-	(130,310)	(119,135)
Interest on long-term debt	(1,029,813)	-	-	-	(1,029,813)	(1,040,383)
Loss on disposal of capital assets	-	-	-	-	-	(2,497)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (15,328,357)	\$ 377,460	\$ 862,706	\$ -	(14,088,191)	(10,677,155)
GENERAL REVENUES						
Charges to school districts					3,523,535	3,075,591
State aid not restricted to specific purposes					7,204,190	6,142,755
Other local revenues					505,828	218,441
Interest income					132,375	89,963
TOTAL GENERAL REVENUES					11,365,928	9,526,750
CHANGE IN NET DEFICIT					(2,722,263)	(1,150,405)
NET DEFICIT, BEGINNING OF YEAR					(15,358,490)	(14,208,085)
NET DEFICIT, END OF YEAR					\$ (18,080,753)	\$ (15,358,490)

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

**LAS AMÉRICAS ASPIRA ACADEMY
BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2019

(With Summarized Comparative Data for June 30, 2018)

	General Fund	Capital Projects Fund	Total Government Funds	
			2019	2018
ASSETS:				
Cash and pooled cash	\$ 1,393,615	-	\$ 1,393,615	\$ 2,148,452
Investments	-	1,458,863	1,458,863	1,439,916
Accounts receivable	30,973	-	30,973	81,641
Deposit	-	-	-	141,000
Prepaid expenditures	39,965	-	39,965	60,043
TOTAL ASSETS	\$ 1,464,553	\$ 1,458,863	\$ 2,923,416	\$ 3,871,052
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 31,276	-	\$ 31,276	\$ 46,419
Accrued salaries and related costs	1,273,789	-	1,273,789	946,386
Unearned summer camp fees	17,511	-	17,511	12,948
TOTAL LIABILITIES	1,322,576	-	1,322,576	1,005,753
FUND BALANCES:				
Nonspendable	39,965	-	39,965	60,043
Restricted	-	1,458,863	1,458,863	1,439,916
Unassigned	102,012	-	102,012	1,365,340
TOTAL FUND BALANCES	141,977	1,458,863	1,600,840	2,865,299
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,464,553	\$ 1,458,863	\$ 2,923,416	\$ 3,871,052

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

**LAS AMÉRICAS ASPIRA ACADEMY
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL
FUNDS TO STATEMENT OF NET POSITION
JUNE 30, 2019**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,600,840

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in the footnotes are included in the statement of net position. 20,352,063

Long-term assets applicable to governmental activities are not due and receivable in the current period and, therefore, are not reported as fund assets.

Due from State of Delaware 252,139

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Compensated absences	\$ (369,576)	
Net pension liability	(3,092,441)	
Net OPEB liability	(19,161,282)	
Bonds payable in future years, net	<u>(22,319,126)</u>	<u>(44,942,425)</u>

Deferred inflows of resources and deferred outflows of resources related to the School's net pension liability are based on the differences between actuarially determined actual and expected investment returns, changes in the actuarially determined proportion of the School's amount of the total pension liability, and pension contributions made after the measurement date of the net pension liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows - pension	2,205,699	
Deferred inflows - pension	<u>(175,718)</u>	<u>2,029,981</u>

Deferred inflows and outflows of resources related to the School's net OPEB liability are based on the differences between actuarially determined actual and expected investment returns, changes in the actuarially determined proportion of the School's amount of returns, changes in the actuarially determined proportion of the School's amount of the total OPEB liability, and OPEB contributions made after the measurement date of the net OPEB liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows - OPEB	5,278,121	
Deferred inflows - OPEB	<u>(2,651,472)</u>	<u>2,626,649</u>

TOTAL NET DEFICIT - GOVERNMENTAL ACTIVITIES \$ (18,080,753)

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

LAS AMÉRICAS ASPIRA ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
 (With Summarized Comparative Data for the Year Ended June 30, 2018)

	General Fund	Capital Projects Fund	2019	2018
REVENUES				
Charges to school districts	\$ 3,523,535	-	\$ 3,523,535	\$ 3,075,591
State aid	7,108,736	-	7,108,736	6,112,361
Federal aid	837,418	-	837,418	668,319
Interest income	43,400	43,846	87,246	44,834
Food service revenue	140,679	-	140,679	138,934
Other local revenues	515,428	-	515,428	228,041
After care	160,824	-	160,824	154,708
Donations	25,288	-	25,288	846,034
Summer camp	66,357	-	66,357	13,495
TOTAL REVENUES	12,421,665	43,846	12,465,511	11,282,317
EXPENDITURES				
Current:				
Instruction	9,796,473	-	9,796,473	8,001,570
Operation and maintenance of facilities	655,005	6,299	661,304	675,383
Transportation	805,109	-	805,109	734,670
Food services	611,270	-	611,270	512,220
Capital outlays:				
Property	592,730	-	592,730	2,774,595
Equipment	158,271	-	158,271	831,793
Debt service:				
Principal	-	75,000	75,000	140,390
Interest	-	1,029,813	1,029,813	1,040,383
TOTAL EXPENDITURES	12,618,858	1,111,112	13,729,970	14,711,004
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(197,193)	(1,067,266)	(1,264,459)	(3,428,687)
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	(1,086,213)	1,086,213	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,086,213)	1,086,213	-	-
NET CHANGE IN FUND BALANCES	(1,283,406)	18,947	(1,264,459)	(3,428,687)
FUND BALANCES, BEGINNING OF YEAR	1,425,383	1,439,916	2,865,299	6,293,986
FUND BALANCES, END OF YEAR	\$ 141,977	\$ 1,458,863	\$ 1,600,840	\$ 2,865,299

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

**LAS AMÉRICAS ASPIRA ACADEMY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,264,459)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized, and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. Disposal of fixed assets must be recognized at a gain or loss on entity-wide statements when incurred.

Capital outlays	\$ 691,821	
Depreciation expense	<u>(979,490)</u>	(287,669)

Some revenues reported in the statement of activities are not available to finance current expenditures and, therefore, are not reported as revenues in the governmental funds.	95,454
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Debt and capital lease proceeds are reported as financing sources in the governmental funds and, thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt and obtaining capital leases increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. In addition, bond premiums are reported as other financing sources; however, these amounts are reported on the statement of net position as deferred charges and amortized over the life of the debt.

Principal repayments	75,000	
Amortization of bond premium	<u>45,129</u>	120,129

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(108,434)
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Pension expenses in the statement of activities differ from the amount reported in the governmental funds because pension expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing pension plan, whereas pension expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.	(209,409)
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OPEB expenses in the statement of activities differ from the amount reported in the governmental funds because OPEB expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing OPEB plan, whereas OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.	<u>(1,067,875)</u>
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CHANGE IN NET DEFICIT - GOVERNMENTAL ACTIVITIES	<u><u>\$ (2,722,263)</u></u>
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The accompanying notes are an integral part of these financial statements.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Charter School

Las Américas ASPIRA Academy is organized under Delaware Code, Title 14, Chapter 5 of the State of Delaware. The Charter School Law grants authority for independent public schools to be created for the purpose of increasing choices for parents of public school students and increasing academic performance. A charter school is an independent public school governed by an independent board of directors. In Delaware, charter schools have the same basic standing as a school district with some exceptions - most notably, they may not levy taxes. To encourage innovation, charter schools operate free from a number of state laws and regulations. Las Américas ASPIRA Academy's initial charter was granted for a four-year period, renewable every five years thereafter. Las Américas ASPIRA Academy's first full year of school started September 1, 2011.

Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Public funds are not provided for facilities. Charter schools may charge for selected additional costs consistent with those permitted by other school districts. Because a charter school receives local, state, and federal funds, they may not charge tuition.

The financial statements of Las Américas ASPIRA Academy ("the School") have been prepared in conformity with generally accepted accounting principles as applied to local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are described below.

Reporting Entity

The School is a special purpose government and is considered a component unit of the State of Delaware. A component unit, although a legally separate entity, is, in substance, part of the State of Delaware's operations. The School has no component units for which it is considered to be financially accountable.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (the statement of net position and the statement of activities) report information on all activities of the School. For the most part, the effect of interfund activity has been removed from these financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

with a specific program. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges to the School are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to students for special fees, supplies, food, or services provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include charges to school districts.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Charges to the school districts, state appropriations, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School receives cash.

The School reports the following major governmental funds:

- **General Fund** – The general fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

- **Capital Projects Fund** – The capital projects fund accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodeling of facilities, and procurement of equipment necessary for providing educational programs for all students within the School.

Cash

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

Investments

Investments are recorded at fair value.

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

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

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

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

Receivables

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

Capital Assets

Capital assets, which include land, buildings and improvements, furniture and fixtures, and equipment, are reported in the entity-wide financial statements. The School defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Building and improvements, furniture and fixtures, and equipment of the School are depreciated using the straight-line method over the estimated useful lives of the related assets. The School generally uses the following estimated useful lives:

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

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The School reports deferred pension and OPEB contributions resulting from pension and OPEB contributions subsequent to the measurement date of the net pension and OPEB liabilities and certain other items which represent differences related to changes in the net pension and OPEB liabilities which will be amortized over future periods. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents a source of net position that applies to future periods. The School reports certain items which represent differences related to changes in the net pension and OPEB liabilities which will be amortized over future periods.

Long-term Obligations

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

Compensated Absences

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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

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

Sick Leave – Sick leave allowances are as follows: teachers shall be allowed 10 days of sick leave per year, and annual employees earn one day of sick leave for each month worked. Any unused sick days shall be accumulated to the employee's credit up to a maximum of 120 days. Compensation for accumulated sick days is received when employees (a) qualify and apply for state pension and are paid at a rate of 50 percent of the per diem rate of pay not to exceed 120 days; or (b) in the case of death, when payment is made to the employee's estate at a rate of one day's pay for each day of unused sick leave not to exceed 120 days.

The compensated absences liability was \$369,576 at June 30, 2019, of which \$252,139 was reimbursable by the State of Delaware.

Fund Equity

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

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

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

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Directors. The Board is the highest level of decision-making authority for the School. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Head of School may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed, unless the Board or Head of School has provided otherwise in its commitment or assignment actions.

Net Position

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

Income Tax Status

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

Use of Estimates in the Preparation of Financial Statements

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

Comparative Data

Comparative total data for the prior year is presented in the basic financial statements to provide an understanding of changes in the School's financial position and operations. That comparative data is not at the level of detail required for a presentation in conformity with generally accepted accounting principles and, therefore, should be read in conjunction with the School's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH, POOLED CASH, AND INVESTMENTS

Deposits

At June 30, 2019, the School had a cash and pooled cash balance of \$1,393,615. Of those amounts, \$1,392,326 was part of an investment pool controlled by the personnel of the State Treasurer's Office in Dover, Delaware, and all investment decisions are made by the State Treasurer's Office. These funds are considered to be highly liquid and available for immediate use and, thus, are recorded as cash equivalents in these financial statements.

The funds held by the State of Delaware investment pool, an internal investment pool, are specifically identified for the School, but the credit risk cannot be categorized for these funds. Credit risk for such investments depends on the financial stability of the State of Delaware. The State reports that its investment securities are stated at quoted market prices, except that investment securities with a remaining maturity at time of purchase of one year or less are stated at cost or amortized cost.

At June 30, 2019, the reported amount of the School's deposits outside of the State Treasurer's Office was \$1,289 and the bank balance was \$1,289, all of which was covered by federal depository insurance.

Investments

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

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School has the following recurring fair value measurements as of June 30, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>
Money Market Mutual Fund	<u>\$ 1,458,863</u>	<u>\$ 1,458,863</u>
TOTAL	<u>\$ 1,458,863</u>	<u>\$ 1,458,863</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

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

security that are in the possession of an outside party. As of June 30, 2019, none of School's investments were subject to custodial credit risk.

Interest Rate Risk

The School does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, to ensure that its assets remain liquid enough to satisfy its current obligations, at June 30, 2019, all of the School's investments had maturity dates of less than one year.

Credit Risk

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

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable represent receivables for revenues earned by the School. At June 30, 2019, receivables are as follows:

<u>Description</u>	
Passed through the State of Delaware:	
Federal government	\$ 12,922
Other receivables:	
Miscellaneous receivables	<u>18,051</u>
Total accounts receivable	<u>\$ 30,973</u>

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<i>Governmental Activities:</i>				
General capital assets not being depreciated:				
Land	\$ 529,959	\$ -	\$ -	\$ 529,959
Total general capital assets not being depreciated	<u>529,959</u>	<u>-</u>	<u>-</u>	<u>529,959</u>

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS (cont'd)

(cont'd)	Beginning Balances	Additions	Deletions	Ending Balances
General capital assets being depreciated:				
Building and improvements	20,350,140	559,200	-	20,909,340
Furniture and equipment	2,060,354	132,621	(40,108)	2,152,867
Total general capital assets being depreciated	22,410,494	691,821	(40,108)	23,062,207
Accumulated depreciation	2,300,721	979,490	(40,108)	3,240,103
Total general capital assets being depreciated, net	20,109,773	(287,669)	-	19,822,104
Governmental Activities, Net	<u>\$ 20,639,732</u>	<u>\$ (287,669)</u>	<u>\$ -</u>	<u>\$ 20,352,063</u>

Depreciation expense was charged to the following governmental activities:

Instructional services	\$ 428,604
Operation and maintenance of facilities	550,886
	<u>\$ 979,490</u>

NOTE 5 LONG-TERM DEBT

During the year ended June 30, 2017, the School issued revenue bonds, Series A and Series B of 2016 in the amounts of \$20,125,000 and \$900,000, respectively, in order to repay the balances of the three notes issued in 2015 and fund ongoing construction.

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

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

A schedule of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	Amounts Outstanding 7/1/2018	Additions	Retirements	Amounts Outstanding 6/30/2019	Due Within One Year
Governmental Activities:					
Bond payable	\$20,950,000	\$ -	\$ 75,000	\$20,875,000	\$ 290,000
Bond premium	1,489,255	-	45,129	1,444,126	45,129
Net pension liability	2,800,443	291,998	-	3,092,441	-
Net OPEB liability	15,409,745	3,751,537	-	19,161,282	-
Compensated absences	261,142	108,434	-	369,576	-
Total Governmental Activities	<u>\$40,910,585</u>	<u>\$4,151,969</u>	<u>\$ 120,129</u>	<u>\$44,942,425</u>	<u>\$ 335,129</u>

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM DEBT (cont'd)

Payment of the bond payable is expected to be refunded by the Capital Projects Fund, and all other liabilities are expected to be funded by the General Fund.

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

Description	Amount of Original Issue	Interest Rate	Maturity Date	Balance June 30, 2019
Series A of 2016	\$20,125,000	3.25% - 5.00%	Annually	\$ 20,125,000
Series B of 2016	900,000	6.25%	Annually	750,000
Bonds payable, at face				20,875,000
Unamortized premium				1,444,126
Bonds payable, net				\$ 22,319,126
Amounts due in one year				\$ 335,129
Amounts due after one year				21,983,997
				\$ 22,319,126

The total principal and interest maturities as of June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 290,000	\$ 1,025,125	\$ 1,315,125
2021	305,000	1,007,000	1,312,000
2022	325,000	987,938	1,312,938
2023	340,000	972,725	1,312,725
2024	350,000	961,675	1,311,675
2025 - 2029	1,970,000	4,607,987	6,577,987
2030 - 2034	2,480,000	4,087,750	6,567,750
2035 - 2039	3,175,000	3,402,000	6,577,000
2040 - 2044	4,040,000	2,525,750	6,565,750
2045 - 2049	5,160,000	1,409,000	6,569,000
2050 - 2051	2,440,000	184,500	2,624,500
Total	\$ 20,875,000	\$ 21,171,450	\$ 42,046,450

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 FUND BALANCES

As of June 30, 2019, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Prepays	\$ 39,965	\$ -	\$ 39,965
Restricted:			
Capital Projects	-	41,863	41,863
Repair and Replacement	-	100,000	100,000
Reserve	-	1,317,000	1,317,000
Unassigned	<u>102,012</u>	<u>-</u>	<u>102,012</u>
Total Fund Balances	<u>\$ 141,977</u>	<u>\$ 1,458,863</u>	<u>\$ 1,600,840</u>

NOTE 7 LEASING ARRANGEMENTS

Operating Lease – Lessee

The School leases copier equipment, computer, iPads, and related accessories through ten operating lease agreements. The School has entered into these lease agreements at different times during fiscal years 2016, 2017, 2018, and 2019. Two of the leases expired this fiscal year, while the remaining leases expire at varying times in September 2019, May 2020, June 2020, and June 2021. Total expense paid under these lease agreements was \$172,478 for the year ended June 30, 2019.

At June 30, 2019, the minimum future rental payments under noncancelable leasing arrangements for the remaining years and in the aggregate are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 131,970
2021	<u>45,298</u>
	<u>\$ 177,268</u>

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Pension Plan ("the Plan"), which is a cost-sharing, multiple-employer defined benefit public employees' retirement system ("the State PERS") defined by the Delaware Code.

The State of Delaware General Assembly is responsible for setting benefits and contributions, and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees ("the Board").

The following are brief descriptions of the Plan in effect as of June 30, 2018. For a more complete description, please refer to the Delaware Employees' Pension Plan Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904; by calling 1-800-722-7300; or by visiting the PERS website at www.delawarepensions.com.

Plan Description and Eligibility

The State Employees' Pension Plan is a cost-sharing multiple employer defined benefit plan that covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

There are two tiers within this plan: 1) employees hired prior to January 1, 2012, and 2) employees hired on or after January 1, 2012.

Benefits Provided

Service Benefits

Final average monthly compensation (employees hired on or after January 1, 2012 may not include overtime in pension compensation) multiplied by 2.0 percent and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85 percent and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, final average monthly compensation is the monthly average of the highest three periods of twelve consecutive months of compensation.

Vesting

Employees hired before January 1, 2012 vest in the plan after five years of credited service. Employees hired on or after January 1, 2012 vest in the plan after ten years of credited service.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

Retirement

Employees hired before January 1, 2012 may retire at age 62 with five years of credited service; at age 60 with 15 years of credited service; or after 30 years of credited service at any age. Employees hired on or after January 1, 2012 may retire at age 65 with at least 10 years of credited service; at age 60 with 20 years of credited service; or after 30 years of credited service at any age.

Disability Benefits

Disability benefits for those employees hired before January 1, 2012 are offered using the same calculations as the Service Benefits described above. Employees in this program must have five years of credited service. In lieu of disability pension benefits, over 90 percent of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Employees hired on or after January 1, 2012 are also included in the Disability Insurance Program.

Survivor and Burial Benefits

In the event of the death of a member of the Plan, the eligible survivor receives 50 percent of the benefits received under the pension (or 67.7 percent with two percent reduction of the benefit, or 75 percent with a three percent reduction of the benefit, or 100 percent with six percent reduction of benefit). If the employee is an active member of the Plan with at least five years of credited service, the eligible survivor receives 75 percent of the benefit the active employee would have received at age 62.

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

Contributions

Member Contributions

Employees hired before January 1, 2012 contribute three percent of earnings in excess of \$6,000. Employees hired on or after January 1, 2012 contribute five percent of earnings in excess of \$6,000.

Employer Contributions

Employer contributions are determined by the Board. For the year ended June 30, 2019, the rate of the employer contribution was 11.83 percent of covered payroll. The School's contribution to PERS for the year ended June 30, 2019 was \$685,466.

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

PRI Contribution

All reporting units participating in the State PERS make contributions to a PRI fund which accumulates resources to fund ad hoc postretirement increases granted by the General Assembly. The increases are funded over a five-year period from the PRI fund. The allocation of the contribution from the PRI fund to the Pension Trust is a reduction of the net pension liability of each participating employer.

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

At June 30, 2019, the School reported a liability of \$3,092,441 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward the Plan's total pension liability as of June 30, 2017 to June 30, 2018. The School's proportion of the net pension liability was calculated based on the actual contributions made during the measurement period in proportion to the total of all employer contributions made during the measurement period. At June 30, 2018, the School's proportion was 0.2395 percent, which was an increase of 0.0485 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School recognized pension expense of \$945,641. At June 30, 2019, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 131,087
Changes in proportions	820,187	-
Changes in assumptions	538,430	-
Contributions subsequent to the date of measurement	685,466	-
Differences between actual and expected experience	<u>161,616</u>	<u>44,631</u>
	<u>\$2,205,699</u>	<u>\$ 175,718</u>

An amount of \$685,466 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the June 30, 2018 measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions, and will be recognized in pension expense as follows:

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

Year Ending June 30,

2020	\$ 544,464
2021	403,511
2022	60,060
2023	146,602
2024	<u>189,878</u>
	<u><u>\$1,344,515</u></u>

Actuarial Assumptions

The total pension liability as of the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, and update procedures were used to roll forward the total pension liability to June 30, 2018. These actuarial valuations used the following actuarial assumptions, applied to all periods:

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

The total pension liabilities are measured based on assumptions pertaining to interest rates, inflation rates, and employee demographic behavior in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the actual experience deviates, the larger the impact on future financial statements.

Mortality rates were based on the Sex Distinct RP-2014 Combined Mortality Table projected to 2017 using an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (“ad hoc COLAs”), as they are not substantively automatic. The primary considerations relevant to making this determination include the historical patterns of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

weighting the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target Asset Allocation
Domestic equity	5.7%	30.7%
International equity	5.7%	13.9%
Fixed income	2.0%	23.3%
Alternative investments	7.8%	24.4%
Cash and equivalents	0.0%	7.7%

Discount Rate

The discount used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at rates determined by the Board, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.0%	Current Rate Discount Rate 7.0%	1% Increase 8.0%
School's proportionate share of the net pension liability	\$ 6,001,215	\$ 3,092,441	\$ 650,081

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN (cont'd)

Pension Plan Fiduciary Net Position

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Other Postemployment Benefit Fund Trust ("the Plan"), which is a cost-sharing, multiple-employer defined benefit plan defined by the Delaware Code.

The State of Delaware General Assembly is responsible for setting benefits and contributions, and amending plan provisions; administrative rules and regulations are adopted and maintained by the DPERS Board of Pension Trustees, which acts as the Board of Trustees ("the Board") for the Plan and is responsible for the financial management of the Plan.

The following are brief descriptions of the Plan in effect as of June 30, 2018. For a more complete description, please refer to the Delaware Public Employees' Retirement System Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904; by calling 1-800-722-7300; or by visiting the PERS website at www.delawarepensions.com.

Plan Description and Eligibility

The State of Delaware Employees' Other Postemployment Benefit ("OPEB") Fund Trust is a cost-sharing multiple employer plan that covers all employees of the State that are eligible to participate in the defined benefit pension plan, including employees of other affiliated entities.

Benefits Provided

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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Contributions

Employer Contributions

Participating employers fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. For the year ended June 30, 2019, the rate of the employer contribution was 11.79 percent of covered payroll. The School's contribution to the Plan for the year ended June 30, 2019 was \$683,069.

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

At June 30, 2019, the School reported a liability of \$19,161,282 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the Plan's total OPEB liability as of June 30, 2017 to June 30, 2018. The School's proportion of the net OPEB liability was calculated based on the actual contributions made during the measurement period in proportion to the total of all employer contributions made during the measurement period. At June 30, 2018, the School's proportion was 0.2334 percent, which was an increase of 0.0467 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School recognized OPEB expense of \$1,750,944. At June 30, 2019, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 48,144
Changes in proportions	4,595,052	-
Changes in assumptions	-	2,603,328
Contributions subsequent to the date of measurement	<u>683,069</u>	<u>-</u>
	<u>\$5,278,121</u>	<u>\$2,651,472</u>

An amount of \$683,069 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the June 30, 2018 measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts will be

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

reported as deferred outflows of resources and deferred inflows of resources related to OPEB, and will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 293,953
2021	293,953
2022	293,953
2023	303,489
2024	<u>758,232</u>
	<u>\$ 1,943,580</u>

Actuarial Assumptions

The total OPEB liability as of the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, and update procedures were used to roll forward the total pension liability to June 30, 2018. These actuarial valuations used the following actuarial assumptions:

- Discount rate – 3.87 percent
- Salary increases – 3.25 percent + merit
- Healthcare cost trend rates – 6.80 percent

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

The total OPEB liabilities are measured based on the assumptions pertaining to interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the actual experience deviates, the larger the impact on future financial statements.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58 percent at the beginning of the current measurement period and 3.87 percent at the end, based on the Bond Buyer GO 20-Bond Municipal Bond Index, an index satisfying the GASB requirement of an index rate for 20-

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rates used at the June 30, 2018 and 2017 measurement date are equal to the applicable rate of the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

The following presents the net OPEB liability, calculated using the discount rate of 3.78 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.78 percent) or one percentage point higher (4.78 percent) than the current rate.

	1% Decrease 2.78%	Current Rate Discount Rate 3.78%	1% Increase 4.78%
School's proportionate share of the net OPEB liability	\$ 22,801,428	\$ 19,161,282	\$ 16,299,053

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

The following presents the net OPEB liability, calculated using the healthcare cost trend rate of 7.0 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease 5.8%	Current Rate Healthcare Trend Rate 6.8%	1% Increase 7.8%
School's proportionate share of the net OPEB liability	\$ 16,314,690	\$ 19,161,282	\$ 22,627,731

Plan Fiduciary Net Position

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

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 10 RISK MANAGEMENT

The School has purchased commercial insurance policies for various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenses of the School for the year ended June 30, 2019. There was no significant reduction in coverage compared to the prior year.

NOTE 11 COMMITMENTS AND CONTINGENCIES

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

Grants

The School receives significant financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the State Office of Auditor of Accounts. Any disallowed claims resulting from such audits could become a liability of the general fund. The School's administration believes such disallowance, if any, would be immaterial.

NOTE 12 EXCESS EXPENDITURES OVER APPROPRIATIONS

The School overspent budgetary appropriations in the following categories:

Salaries	\$	297,137
Employment costs	\$	36,437
Transportation - buses	\$	13,129
Supplies and materials	\$	37,794
Student activities	\$	12,198
Property	\$	5,730
Equipment	\$	85,271

The excess expenditures were covered by other expenditure categories that were less than their budgeted appropriations and revenues that exceeded their budget.

NOTE 13 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amount of \$17,572,553 includes the effect of deferring the recognition of pension and OPEB contributions made subsequent to the

LAS AMÉRICAS ASPIRA ACADEMY

NOTES TO FINANCIAL STATEMENTS

NOTE 13 DEFICIT NET POSITION (cont'd)

measurement date of the net pension and OPEB liabilities, and the deferred outflows related to the pension and OPEB plans. This is offset by the School's actuarially determined pension and OPEB liabilities, and the deferred inflows related to the pension and OPEB plans.

NOTE 14 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through September 30, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LAS AMÉRICAS ASPIRA ACADEMY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges to school districts	\$ 3,143,817	\$ 3,075,591	\$ 3,523,535	\$ 447,944
State aid	6,957,298	5,927,637	7,108,736	1,181,099
Federal aid	734,893	585,856	837,418	251,562
Interest income	-	-	43,400	43,400
Food service revenue	141,929	98,339	140,679	42,340
Other local revenues	743,368	429,224	515,428	86,204
After care	164,116	158,698	160,824	2,126
Donations	36,000	20,000	25,288	5,288
Summer camp	63,000	48,000	66,357	18,357
TOTAL REVENUES	<u>11,984,421</u>	<u>10,343,345</u>	<u>12,421,665</u>	<u>2,078,320</u>
EXPENDITURES				
Current:				
Salaries	5,616,587	5,877,950	6,175,087	(297,137)
Employment costs	2,951,788	3,188,317	3,224,754	(36,437)
Travel	26,500	29,000	27,099	1,901
Contractual services	546,450	610,100	451,488	158,612
Communications	8,000	16,500	8,734	7,766
Public utilities service	161,000	177,000	167,239	9,761
Insurance	34,000	41,500	41,448	52
Transportation - buses	797,444	791,980	805,109	(13,129)
Repairs and maintenance	125,000	154,000	122,957	31,043
Supplies and materials	679,416	745,950	783,744	(37,794)
Student activities	48,000	48,000	60,198	(12,198)
Capital outlays:				
Property	587,000	587,000	592,730	(5,730)
Equipment	118,000	73,000	158,271	(85,271)
TOTAL EXPENDITURES	<u>11,699,185</u>	<u>12,340,297</u>	<u>12,618,858</u>	<u>(278,561)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>285,236</u>	<u>(1,996,952)</u>	<u>(197,193)</u>	<u>1,799,759</u>
OTHER FINANCING USES				
Transfer out	(1,086,213)	(1,086,213)	(1,086,213)	-
TOTAL OTHER FINANCING USES	<u>(1,086,213)</u>	<u>(1,086,213)</u>	<u>(1,086,213)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(800,977)	(3,083,165)	(1,283,406)	1,799,759
FUND BALANCE, BEGINNING OF YEAR	<u>1,425,383</u>	<u>1,425,383</u>	<u>1,425,383</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 624,406</u>	<u>\$ (1,657,782)</u>	<u>\$ 141,977</u>	<u>\$ 1,799,759</u>

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

LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE OF DELAWARE EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2019

	MEASUREMENT DATE				
	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2016</u>	<u>JUNE 30, 2015</u>	<u>JUNE 30, 2014</u>
<u>PROPORTIONATE SHARE OF NET PENSION LIABILITY</u>					
School's proportion of the net pension liability	0.2395%	0.1910%	0.1756%	0.1409%	0.1061%
School's proportion of the net pension liability - dollar value	\$ 3,092,441	\$ 2,800,443	\$ 2,646,247	\$ 937,416	\$ 390,535
School's covered employee payroll	\$ 4,754,194	\$ 3,721,305	\$ 3,349,061	\$ 2,627,918	\$ 1,939,990
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	65.05%	75.25%	79.01%	35.67%	20.13%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	85.31%	84.11%	92.67%	95.80%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF SCHOOL PENSION CONTRIBUTIONS
STATE OF DELAWARE EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2019**

<u>CONTRIBUTIONS</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2016</u>	<u>JUNE 30, 2015</u>
Contractually required contribution	\$ 685,466	\$ 495,387	\$ 356,501	\$ 320,840	\$ 251,229
Contributions in relation to the contractually required contribution	<u>685,466</u>	<u>495,387</u>	<u>356,501</u>	<u>320,840</u>	<u>251,229</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered employee payroll	\$ 5,794,303	\$ 4,754,194	\$ 3,721,305	\$ 3,349,060	\$ 2,627,918
Contributions as a percentage of covered-employee payroll	11.83%	10.42%	9.58%	9.58%	9.56%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE OF DELAWARE EMPLOYEES' OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2019**

<u>PROPORTIONATE SHARE OF NET OPEB LIABILITY</u>	<u>MEASUREMENT DATE</u>	
	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>
School's proportion of the net OPEB liability	0.2334%	0.1867%
School's proportion of the net OPEB liability - dollar value	\$ 19,161,282	\$ 15,409,745
School's covered employee payroll	\$ 5,794,303	\$ 4,754,194
School's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	330.69%	324.13%
Plan fiduciary net position as a percentage of the total OPEB liability	4.44%	4.13%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF SCHOOL OPEB CONTRIBUTIONS
STATE OF DELAWARE EMPLOYEES' OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2019**

<u>CONTRIBUTIONS</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>
Contractually required contribution	\$ 683,069	\$ 524,241
Contributions in relation to the contractually required contribution	<u>683,069</u>	<u>524,241</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>
School's covered employee payroll	\$ 5,794,303	\$ 4,754,194
Contributions as a percentage of covered-employee payroll	11.79%	11.03%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SUPPLEMENTARY INFORMATION

LAS AMÉRICAS ASPIRA ACADEMY
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2019

	<u>State Allocation</u>	<u>Local Funding</u>	<u>Federal Funding</u>	<u>Total</u>
ASSETS				
Cash and pooled cash	\$ 324,772	\$ 1,068,843	-	\$ 1,393,615
Accounts receivable	-	18,051	12,922	30,973
Deposits	-	-	-	-
Prepaid expenditures	-	39,965	-	39,965
Due from other funding source	-	12,922	-	12,922
TOTAL ASSETS	<u>\$ 324,772</u>	<u>\$ 1,139,781</u>	<u>\$ 12,922</u>	<u>\$ 1,477,475</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable	-	\$ 31,276	-	\$ 31,276
Accrued salaries and related costs	-	1,273,789	-	1,273,789
Unearned summer camp fees	-	17,511	-	17,511
Due to other funding source	-	-	12,922	12,922
TOTAL LIABILITIES	<u>-</u>	<u>1,322,576</u>	<u>12,922</u>	<u>1,335,498</u>
FUND BALANCES (DEFICIT)				
Nonspendable	-	39,965	-	39,965
Unassigned (deficit)	324,772	(222,760)	-	102,012
TOTAL FUND BALANCES (DEFICIT)	<u>324,772</u>	<u>(182,795)</u>	<u>-</u>	<u>141,977</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 324,772</u>	<u>\$ 1,139,781</u>	<u>\$ 12,922</u>	<u>\$ 1,477,475</u>

**LAS AMÉRICAS ASPIRA ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	State Allocation	Local Funding	Federal Funding	Total
REVENUES				
Charges to school districts	-	\$ 3,523,535	-	\$ 3,523,535
State aid	7,108,736	-	-	7,108,736
Federal aid	-	-	497,137	497,137
Interest income	-	43,400	-	43,400
Food service revenue	-	140,679	340,281	480,960
Other local revenues	-	515,428	-	515,428
After care	-	160,824	-	160,824
Donations	-	25,288	-	25,288
Summer camp	-	66,357	-	66,357
TOTAL REVENUES	<u>7,108,736</u>	<u>4,475,511</u>	<u>837,418</u>	<u>12,421,665</u>
EXPENDITURES				
Current:				
Instruction	5,440,584	3,860,368	495,521	9,796,473
Operation and maintenance of facilities	40,470	613,294	1,241	655,005
Transportation	-	804,734	375	805,109
Food services	140,421	130,568	340,281	611,270
Capital outlays:				
Property	87,758	504,972	-	592,730
Equipment	35,729	122,542	-	158,271
TOTAL EXPENDITURES	<u>5,744,962</u>	<u>6,036,478</u>	<u>837,418</u>	<u>12,618,858</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,363,774	(1,560,967)	-	(197,193)
OTHER FINANCING USES:				
Transfer out	(1,086,213)	-	-	(1,086,213)
TOTAL OTHER FINANCING USES	<u>(1,086,213)</u>	<u>-</u>	<u>-</u>	<u>(1,086,213)</u>
NET CHANGE IN FUND BALANCES	277,561	(1,560,967)	-	(1,283,406)
FUND BALANCES, BEGINNING OF YEAR	47,211	1,378,172	-	1,425,383
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 324,772</u>	<u>\$ (182,795)</u>	<u>\$ -</u>	<u>\$ 141,977</u>

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES BY NATURAL CLASSIFICATION -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

EXPENDITURES

Current:

Salaries	\$ 6,175,087
Employment costs	3,224,754
Travel	27,099
Contractual services	451,488
Communications	8,734
Public utilities service	167,239
Insurance	41,448
Transportation - buses	805,109
Repairs and maintenance	129,256
Supplies and materials	783,744
Student activities	60,198

Capital outlays:

Property	592,730
Equipment	158,271

Debt service:

Principal	75,000
Interest	<u>1,029,813</u>

TOTAL EXPENDITURES

\$ 13,729,970

SINGLE AUDIT SUPPLEMENT



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

September 30, 2019

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Las Américas ASPIRA Academy ("the School"), Newark, Delaware, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Board of Directors
Las Américas ASPIRA Academy

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

Compliance and Other Matters

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

Purpose of This Report

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


BARBACANE, THORNTON & COMPANY LLP



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

September 30, 2019

Board of Directors
Las Américas ASPIRA Academy
Newark, Delaware

Report on Compliance for Each Major Federal Program

We have audited Las Américas ASPIRA Academy's ("the School") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June, 30, 2019. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

Management's Responsibility

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

Auditor's Responsibility

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

Board of Directors
Las Américas ASPIRA Academy

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

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

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

**LAS AMÉRICAS ASPIRA ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR PROJECT TITLE	Source Code	FEDERAL CFDA NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (DEFERRED) REVENUE 06/30/18	REVENUE RECOGNIZED	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE 06/30/19	PASSED THROUGH TO SUB-RECIPIENTS
U.S. Department of Agriculture Passed through DE Department of Education National School Lunch Program	I	10.555	07/01/18-06/30/19	N/A	\$ 277,526	\$ -	\$ 283,877	\$ 283,877	\$ 6,351	\$ -
Summer Food Program For Children	I	10.559	07/01/18-06/30/19	N/A	6,207	-	12,158	12,158	5,951	-
Total Child Nutrition Cluster					283,733	-	296,035	296,035	12,302	-
Child and Adult Care Food Program	I	10.558	07/01/18-06/30/19	N/A	43,627	-	44,247	44,247	620	-
Total U.S. Department of Agriculture					327,360	-	340,282	340,282	12,922	-
U.S. Department of Education Passed through DE Department of Education										
Title I - Grants to Local Education Agencies	I	84.010	07/01/17-11/30/19	\$ 185,230	23,796	23,796	-	-	-	-
Title I - Grants to Local Education Agencies	I	84.010	07/01/18-11/30/20	188,948	188,948	-	188,948	188,948	-	-
Total CFDA #84.10					212,744	23,796	188,948	188,948	-	-
I.D.E.A. Part B	I	84.027	07/01/17-11/30/19	117,566	29,253	-	29,253	29,253	-	-
I.D.E.A. Part B	I	84.027	07/01/18-11/30/20	132,069	124,817	-	124,817	124,817	-	-
Total CFDA #84.027					154,070	-	154,070	154,070	-	-
Special Education Preschool Grants	I	84.173	07/01/18-06/30/19	585	585	-	585	585	-	-
Total Special Education Cluster					154,655	-	154,655	154,655	-	-
English Language Acquisition	I	84.365	07/01/17-11/30/19	19,887	6,448	-	6,448	6,448	-	-
English Language Acquisition	I	84.365	07/01/18-11/30/20	19,887	13,907	-	13,907	13,907	-	-
Total CFDA #84.365					20,355	-	20,355	20,355	-	-
Title II - Improving Teacher Quality State Grants	I	84.367	07/01/17-11/30/19	36,039	3,076	-	3,076	3,076	-	-
Title II - Improving Teacher Quality State Grants	I	84.367	07/01/18-11/30/20	38,112	38,112	-	38,112	38,112	-	-
Total CFDA #84.367					41,188	-	41,188	41,188	-	-
Temporary Emergency Impact Aid for Displaced Students	I	84.938C	07/01/18-02/28/19	72,000	72,000	-	72,000	72,000	-	-
Title IV	I	84.424	07/01/17-11/30/19	10,000	31	-	31	31	-	-
Title IV	I	84.424	07/01/18-11/30/20	19,959	19,959	-	19,959	19,959	-	-
Total CFDA #84.424					19,990	-	19,990	19,990	-	-
Total U.S. Department of Education					520,932	23,796	497,136	497,136	-	-
TOTAL FEDERAL AWARDS					\$ 848,292	\$ 23,796	\$ 837,418	\$ 837,418	\$ 12,922	\$ -

Source Code:

I = Indirect funding

LAS AMÉRICAS ASPIRA ACADEMY
NEWARK, DELAWARE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

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

NOTE B INDIRECT COST RATE

The School has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. For the year ended June 30, 2019, there were no indirect costs included in the schedule of expenditures of federal awards.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

LAS AMÉRICAS ASPIRA ACADEMY
NEWARK, DELAWARE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes No

Identification of major programs:

CFDA Numbers

10.555, 10.559
10.558

Name of Federal Program or Cluster

Child Nutrition Cluster
Child and Adult Care Food Program

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

LAS AMÉRICAS ASPIRA ACADEMY
NEWARK, DELAWARE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (cont'd)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.