REPORT ON
EXECUTIVE EDUCATION
ACADEMY CHARTER SCHOOL
SINGLE AUDIT REPORT
FISCAL YEAR ENDED JUNE 30, 2024

EXECUTIVE EDUCATION ACADEMY CHARTER SCHOOL

Single Audit Report

For the Fiscal Year Ended June 30, 2024

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GORMAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

Board of Trustees
Executive Education Academy Charter School
555 Union Boulevard
Allentown, PA 18109

We have performed the Single Audit of the Executive Education Academy Charter School for the fiscal year ended June 30, 2024, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which entailed:

1. An audit of the basic financial statements, and our opinion thereon;

2. A review of compliance and of internal control over financial reporting based on an audit of the financial statements performed in accordance with Governmental Auditing Standards, and our report thereon;

3. An examination of the Schedule of Expenditures of Federal Awards and our report thereon; and,

4. An opinion on compliance with requirements applicable to each major program, and a review of internal control over compliance in accordance with the Uniform Guidance, explained above, and our report thereon.

Respectfully submitted,

Gorman & Associates, P.C.

December 20, 2024

1825 Franklin Street
Northampton, Pennsylvania 18067 - 1573
tele} 610/ 262/ 1280 fax} 610/ 262/ 1756
www.gaapc.com

REPORT DISTRIBUTION LIST

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FINANCIAL SECTION

GORMAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Executive Education Academy Charter School
555 Union Boulevard
Allentown, PA 18109

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Executive Education Academy Charter School, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Executive Education Academy Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Executive Education Academy Charter School, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

1825 Franklin Street
Northampton, Pennsylvania 18067 - 1573
tele} 610/ 262/ 1280 fax} 610/ 262/ 1756
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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Executive Education Academy Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the 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 November 26, 2024, on our consideration of the Executive Education Academy Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Executive Education Academy Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Executive Education Academy Charter School's internal control over financial reporting and compliance.

Respectfully submitted,

Northampton, Pennsylvania
November 26, 2024

The discussion and analysis of Executive Education Academy Charter School's financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2024 and 2024. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School's financial performance.

In this fiscal year the Executive Education Academy Charter School's increased its student enrollment from 1,402 to 1,446 students. Since student enrollment is directly related to revenues, this, along with federal grants, helped account for an increase in revenues of $164,622 for total revenues of $24,319,450 (excluding other financing sources).

Overview of the Financial Statements

This annual report consists of three parts-management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the school.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the School's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the School's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

- Proprietary fund statements offer short-and long-term financial information about the activities the government operates like businesses, such as food service.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School's net position and how they have changed. Net position - the difference between the School's assets and liabilities - is one way to measure the School's financial health or position. Over time, increases or decreases in the School's net position are an indication of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the School include the Governmental Activities. Most of the School's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development and general administration. Subsidies from local school districts and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the School's most significant funds – not the School as a whole. Funds are accounting devices that the School uses to track specific sources of funding and spending for particular purposes.

Some funds are required by State law. The School Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain subsidies and grants.

The School has the following type of funds:

- Governmental funds – Most of the School's activities are reported in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on a subsequent page that explains the relationship (or differences) between them.

- Proprietary funds – Services for which the School charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

The Statement of Net Position provides the perspective of the School as a whole. The School's net position as of June 30, 2024 and 2023 were as follows:

Table A-1
Net Position
As of June 30, 2024 and June 30, 2023

	2024			2023		
	Governmental Activities	**Business-type Activities**	**Total**	**Governmental Activities**	**Business-type Activities**	**Total**
Current and Other Assets	$ 8,942,013	$ 1,135,649	$ 9,396,135	$ 8,951,375	$ 611,408	$ 9,485,366
Non Current Assets	64,837,249	138,730	64,975,979	55,363,095	83,858	55,446,953
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets & Deferred Outflows of Resources	**$ 73,779,262**	**$ 1,274,379**	**$ 74,372,114**	**$ 64,314,470**	**$ 695,266**	**$ 64,932,319**
Current and Other Liabilities	$ 2,942,699	$ 694,382	$ 2,955,554	$ 3,397,968	$ 267,529	$ 3,588,080
Long-term Liabilities	63,063,200	-	63,063,200	53,212,771	-	53,212,771
Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	**$ 66,005,899**	**$ 694,382**	**$ 66,018,754**	**$ 56,610,739**	**$ 267,529**	**$ 56,800,851**
Net Position						
Net Investment in Capital Assets	$ 1,099,049	$ 138,730	$ 1,237,779	$ 54,688,093	$ 83,858	$ 54,771,951
Restricted	675,000		675,000	675,000	-	675,000
Unrestricted	5,999,314	441,267	6,440,581	(47,659,362)	343,879	(47,315,483)
Total Net Position	**$ 7,773,363**	**$ 579,997**	**$ 8,353,360**	**$ 7,703,731**	**$ 427,737**	**$ 8,131,468**

As of June 30, 2024, the Executive Education Academy Charter School had total assets of $74,372,114 with 0% of those assets being deferred outflows of resources, 7% being in cash and 5% being in receivables. The remaining 88% represent prepaid expenditures and the net value of capital assets. Due to the implementation of GASB 87, $61,397,739 was for right to use assets. Total liabilities of $66,018,754 includes trade accounts payable, accrued expenses, salaries and benefits, and obligations from existing financial arrangements. The resulting net position of $8,353,360 includes unrestricted assets of $6,440,581 and restricted assets of $675,000, which include $1,099,049 in net investments in capital assets.

As of June 30, 2023, the Executive Education Academy Charter School had total assets of $64,932,319 with 0% of those assets being deferred outflows of resources, 7% being in cash and 7% being in receivables. The remaining 86% represent prepaid expenditures and the net value of capital assets. Due to the implementation of GASB 87, $53,212,771 was for right to use assets. Total liabilities of $56,800,851 includes trade accounts payable, accrued expenses, salaries and benefits, and obligations from existing financial arrangements. The resulting net position of $8,131,468 includes unrestricted assets of $7,456,468 and restricted assets of $675,000, in net investments in capital assets.

The statement of Activities shows the revenues, expenses and changes in net position for fiscal years 2024 and 2023. The summarized figures are as follows:

Table A-2
Changes in Net Position
Fiscal Years ended June 30, 2024 and June 30, 2023

	2024			2023		
	Govern-mental Activities	Business -type Activities	Total	Govern-mental Activities	Business -type Activities	Total
REVENUES						
Program Revenues						
Charges for Services	$ 127,835	$ -	$ 127,835	$ 96,383	$ -	$ 96,383
Operating grants and contributions	3,491,984	1,730,007	5,221,991	5,459,815	1,607,202	7,067,017
General Revenues						
Receipt from Other LEAs	20,472,730	-	20,472,730	18,271,722	-	18,271,722
State grants and subsidies	-	-	-	-	-	-
Investment Earnings	28,532	-	28,532	19,424	-	19,424
Miscellaneous	198,369	-	198,369	307,484	-	307,484
Special Item - Gain (loss) on sale of captial assets	-	-	-	-	-	-
Fund Transfers	-	-	-	-	-	-
TOTAL REVENUES	$ 24,319,450	$ 1,730,007	$ 26,049,457	$ 24,154,828	$ 1,607,202	$ 25,762,030
EXPENSES						
Instruction	$ 12,866,760	$ -	$ 12,866,760	$ 12,205,892	$ -	$ 12,205,892
Instructional and Administrative Support Services	4,193,815	-	4,193,815	3,875,783	-	3,875,783
Operation and Maintenance	3,625,225	-	3,625,225	3,194,314	-	3,194,314
Student Activities	492,562	-	492,562	542,531	-	542,531
Community Services	146,857	-	146,857	134,479	-	134,479
Debt Service	2,924,599	-	2,924,599	2,643,131	-	2,643,131
Unallocated Depreciation	-	-	-	-	-	-
Food Service	-	1,577,747	1,577,747	-	1,604,064	1,604,064
Services						
TOTAL EXPENSES	$ 24,249,818	$ 1,577,747	$ 25,827,565	$ 22,596,130	$ 1,604,064	$ 24,200,194
Increase (decrease) in net position	**$ 69,632**	**$ 152,260**	**$ 221,892**	**$ 1,558,698**	**$ 3,138**	**$ 1,561,836**

The governmental activity revenue for the 2023-2024 school year from the Executive Education Academy Charter School came from three major program sources. These program sources included subsidies from school districts for instructional services $20,472,730, grants from Federal Programs of $3,061,525 and subsidies from the State of $295,112. In addition, the School received $490,083 from other resources including miscellaneous income, fundraising activities, investment earnings, and student activities. Revenue from business-type activities (food service) amounted to $1,730,007.

The governmental activity revenue for the 2022-2023 school year from the Executive Education Academy Charter School came from three major program sources. These program sources included subsidies from school districts for instructional services $18,271,722, grants from Federal Programs of $5,089,744 and subsidies from the State of $246,333. In addition, the School received $547,029 from other resources including miscellaneous income, fundraising activities, investment earnings, and student activities. Revenue from business-type activities (food service) amounted to $3,138.

MAJOR FINANCIAL ISSUES

Building Space

In August 2017, the Executive Education Academy Charter School Foundation purchased the property housing the Executive Education Academy Charter School. This resulted in the Charter School entering into a new lease agreement with the separate foundation entity as landlord. The foundation is shown as a Component Unit of the Executive Education Academy Charter School in these financial statements.

Technology

During the year ended June 30, 2024, the School did not enter in new financing agreements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the School had a net value of $64,162,249 of capital assets that consisted office furniture, computer equipment, leasehold improvements, and right to use assets. Due to the implementation of GASB 87, $61,397,739 was for right to use assets. The School's policy requires the capitalization of individual furniture and equipment purchases of $2,500 or more.

At June 30, 2023, the School had a net value of $54,771,953 of capital assets that consisted office furniture, computer equipment, leasehold improvements, and right to use assets. Due to the implementation of GASB 87, $52,393,164 was for right to use assets. The School's policy requires the capitalization of individual furniture and equipment purchases of $2,500 or more.

Long - Term Debt

In addition to the recording of the intangible right-to use assets required by the implementation of GASB 87, long-term lease obligations were recorded in the statement of net position. The long-term lease obligations for the leasing of facility land, buildings and equipment as of June 30, 2024 was $63,063,200.

In addition to the recording of the intangible right-to use assets required by the implementation of GASB 87, long-term lease obligations were recorded in the statement of net position. The long-term lease obligations for the leasing of facility land, buildings and equipment as of June 30, 2023 was $54,157,842.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Charter School expects to continue its growth, as the fiscal year 2024-2025 budget has been prepared using a revenue amount of approximately $22.03 million based on a projected enrollment of 1,440 students. Expenditures have been budgeted to be approximately $22.03 million in this fiscal year.

CONTACTING THE SCHOOL FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the School's Business Services Department.

BASIC FINANCIAL STATEMENTS

Executive Education Academy Charter School
Statement of Net Position
As of June 30, 2024

	PRIMARY GOVERNMENT				DISCRETELY PRESENTED COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		EXECUTIVE EDUCATION FOUNDATION
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 4,262,968	$ 1,089,163	$ 5,352,131		$ 1,587,051
Investments	-	-	-		-
Receivables, Net	-	-	-		-
Lease Receivables	-	-	-		75,219,523
Internal Balances	681,527	-	-	(1)	-
Due from Component Unit	1,408,170	-	1,408,170		-
Due from Primary Government	-	-	-		58,273
Due From Other Governments	2,401,374	31,264	2,432,638		-
Other Receivables, Net	82,334	-	82,334		12,915
Inventories	26,479	15,222	41,701		-
Prepaid Expenses	-	-	-		-
Other Current Assets	79,161	-	79,161		-
Total Current Assets	8,942,013	1,135,649	9,396,135		76,877,762
Non-Current Assets:					
Restricted Cash	-	-	-		6,296,829
Land	-	-	-		7,613,000
Site Improvements (net of depreciation)	-	-	-		577,042
Furniture and Equipment (net of depreciation)	460,617	138,730	599,347		202,161
Building and Building Improvements (net of depreciation)	-	-	-		35,642,289
Leasehold Improvements (net of depreciation)	2,210,685	-	2,210,685		-
Right to Use Assets (net of amortization)	61,397,739	-	61,397,739		-
Construction in Progress	93,208	-	93,208		114,900
Security Deposit	675,000	-	675,000		-
Other Long-Term Receivables	-	-	-		-
Total Non-Current Assets	64,837,249	138,730	64,975,979		50,446,221
Total Assets	73,779,262	1,274,379	74,372,114		127,323,983
DEFERRED OUTFLOWS OF RESOURCES	-	-	-		-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 73,779,262**	**$ 1,274,379**	**$ 74,372,114**		**$ 127,323,983**
LIABILITIES					
Current Liabilities:					
Internal Balances	$ -	$ 681,527	$ -	(1)	$ -
Due to Other Governments	32,325	-	32,325		-
Due to Component Unit	53,673	4,601	58,274		
Due to Primary Government	-	-	-		1,408,170
Accounts Payable	434,415	6,343	440,758		425,040
Current Portion of Long-Term Obligations	1,103,959	-	1,103,959		678,396
Accrued Salaries and Benefits	1,318,327	-	1,318,327		-
Interest Payable	-	-	-		1,523,429
Security Depsosits	-	-	-		725,634
Unearned Revenues	-	1,911	1,911		37,829
Total Current Liabilities	2,942,699	694,382	2,955,554		4,798,498
Non-Current Liabilities					
Long-Term Portion of Compensated Absences	-	-	-		-
Bonds Payable	-	-	-		46,930,020
Lease Obligations	63,063,200	-	63,063,200		-
Mortgage Notes Payable	-	-	-		906,677
Total Liabilities	66,005,899	694,382	66,018,754		52,635,195
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - Leases	-	-	-		75,219,523
Deferred Inflows of Resources - Diff. in Projected vs Actual Contributions	-	-	-		-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	66,005,899	694,382	66,018,754		127,854,718
NET POSITION					
Net Investment in Capital Assets	1,099,049	138,730	1,237,779		-
Restricted For:					
Capital Projects	-	-	-		-
Other Restrictions	675,000	-	675,000		-
Unrestricted (Deficit)	5,999,314	441,267	6,440,581		(530,735)
TOTAL NET POSITION	7,773,363	579,997	8,353,360		(530,735)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 73,779,262**	**$ 1,274,379**	**$ 74,372,114**		**$ 127,323,983**

The Accompanying Notes are an integral part of these financial statements.

(1) Internal balances represent the amount owed to or from the two types of activities within the Primary Government. Since internal balances do not represent assets or liabilities of the total Primary Government, their balances are eliminated in the "total" column (GASB Statement No. 34, para. 58).

Executive Education Academy Charter School
Statement of Activities
For the Year Ended June 30, 2024

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			DISCRETELY PRESENTED COMPONENT UNIT
FUNCTION/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	EXECUTIVE EDUCATION FOUNDATION
GOVERNMENTAL ACTIVITIES:								
Instruction	$ 12,866,760	$ 2,130	$ 3,265,452	$ -	$ (9,599,178)	$ -	$ (9,599,178)	
Instructional Student Support	812,466	-	25,176	-	(787,290)	-	(787,290)	
Admin. & Fin'l Support Services	3,381,349	-	-	-	(3,381,349)	-	(3,381,349)	
Oper. & Maint. Of Plant Svcs.	3,582,809	-	201,356	-	(3,381,453)	-	(3,381,453)	
Pupil Transportation	42,416	-	-	-	(42,416)	-	(42,416)	
Student activities	492,562	125,705	3,594	-	(363,263)	-	(363,263)	
Community Services	146,857	-	-	-	(146,857)	-	(146,857)	
Interest on Long-Term Debt	2,879,531	-	-	-	(2,879,531)	-	(2,879,531)	
Unallocated Depreciation Expense	45,068	-	-	-	(45,068)	-	(45,068)	
TOTAL GOVERNMENTAL ACTIVITIES	24,249,818	127,835	3,495,578	-	(20,626,405)	-	(20,626,405)	
BUSINESS-TYPE ACTIVITIES:								
Food Service	1,577,747	13,253	1,713,143	-	-	148,649	148,649	
TOTAL PRIMARY GOVERNMENT	**$ 25,827,565**	**$ 141,088**	**$ 5,208,721**	**$ -**	**$ (20,626,405)**	**$ 148,649**	**$ (20,477,756)**	
COMPONENT UNITS:								
Executive Education Foundation	**5,867,664**	**2,708,387**	**58,030**	**-**				(3,101,247)
GENERAL REVENUES:								
Grants, subsidies, & contributions not restricted					$ -	$ -	$ -	$ -
Receipts from Other Local Education Agencies					20,472,730	-	20,472,730	-
Investment Earnings					28,532	3,611	32,143	3,704,238
Miscellaneous Income					194,775	-	194,775	51,250
Special item - Gain (Loss) on sale of capital assets					-	-	-	-
Extraordinary Items					-	-	-	-
Transfers					-	-	-	-
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					20,696,037	3,611	20,699,648	3,755,488
CHANGES IN NET POSITION					69,632	152,260	221,892	654,241
NET POSITION - BEGINNING					7,703,731	427,737	8,131,468	(1,184,976)
NET POSITION - ENDING					**$ 7,773,363**	**$ 579,997**	**$ 8,353,360**	**$ (530,735)**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Balance Sheet
Governmental Funds
As of June 30, 2024

	GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	$ 4,262,968	$ -	$ 4,262,968
Investments	-	-	-
Due from Component Unit	1,408,170	-	1,408,170
Due from other funds	681,527	-	681,527
Due from Other Governments	2,401,374	-	2,401,374
Other Receivables	82,334	-	82,334
Inventories	26,479	-	26,479
Security Deposits	675,000	-	675,000
Other Current Assets	79,161	-	79,161
TOTAL ASSETS	9,617,013	-	9,617,013
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 9,617,013**	**$ -**	**$ 9,617,013**
LIABILITIES:			
Due to Other Funds	$ -	$ -	$ -
Due to Component Unit	53,673	-	53,673
Due to Other Governments	32,325	-	32,325
Accounts Payable	434,415	-	434,415
Accrued Salaries and Benefits	1,318,327	-	1,318,327
Other Current Liabilities	-	-	-
TOTAL LIABILITIES	1,838,740	-	1,838,740
DEFERRED INFLOWS OF RESOURCES:	-	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	1,838,740	-	1,838,740
FUND BALANCES:			
Nonspendable	701,479	-	701,479
Restricted	1,442	-	1,442
Unassigned	7,075,352	-	7,075,352
TOTAL FUND BALANCES	7,778,273	-	7,778,273
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 9,617,013**	**$ -**	**$ 9,617,013**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
As of June 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$ 7,778,273
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore they are not reported as assets in governmental funds. The cost of the assets is $71,305,270 and the accumulated depreciation is $7,143,021.	64,162,249
Long-term liabilities, including lease obligations, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	(64,167,159)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	**$ 7,773,363**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Local Sources	$ 20,964,450	$ -	$ 20,964,450
State Sources	293,475	-	293,475
Federal Sources	3,061,525	-	3,061,525
TOTAL REVENUES	24,319,450	-	24,319,450
EXPENDITURES			
Instruction	12,893,612	-	12,893,612
Support Services	17,129,148	-	17,129,148
Operation of Non-Instructional Services	740,961	-	740,961
Capital Outlay	80,720	-	80,720
Debt Service	4,195,153	-	4,195,153
TOTAL EXPENDITURES	35,039,594	-	35,039,594
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,720,144)	-	(10,720,144)
OTHER FINANCING SOURCES (USES)			
Proceeds from Leases	11,294,502	-	11,294,502
Operating Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	11,294,502	-	11,294,502
SPECIAL/EXTRAORDINARY ITEMS			
Extraordinary Items	-	-	-
NET CHANGE IN FUND BALANCES	574,358	-	574,358
FUND BALANCES - BEGINNING	7,203,915	-	7,203,915
FUND BALANCES - ENDING	**$ 7,778,273**	**$ -**	**$ 7,778,273**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 574,358
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, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current period.		
Depreciation/Amortization expense	$ 2,418,496	
less - capital outlays	11,892,650	9,474,154
Some of the capital assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the proceeds from leases are not revenues in the statement of activities, but rather constitute long-term liabilities.		(11,294,502)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,315,622
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 69,632**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Statement of Fund Net Position
Proprietary Funds
As of June 30, 2024

	FOOD SERVICE FUND
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 1,089,163
Due From Other Governments	31,264
Inventory	15,222
TOTAL CURRENT ASSETS	1,135,649
NON-CURRENT ASSETS:	
Machinery & Equipment (net)	138,730
TOTAL NON-CURRENT ASSETS	138,730
TOTAL ASSETS	**$ 1,274,379**
DEFERRED OUTLOWS OF RESOURCES	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 1,274,379**
LIABILITIES	
CURRENT LIABILITIES:	
Due to Other Funds	$ 681,527
Due to Component Unit	4,601
Accounts Payable	6,343
Other Liabilities	1,911
TOTAL CURRENT LIABILITIES	694,382
NON-CURRENT LIABILITIES:	
Long-Term Portion of Compensated Absences	-
TOTAL LIABILITIES	694,382
DEFERRED INFLOWS OF RESOURCES	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	694,382
NET POSITION	
Net Investment in Capital Assets	138,730
Unrestricted	441,267
TOTAL NET POSITION	579,997
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 1,274,379**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	FOOD SERVICE FUND
OPERATING REVENUES:	
Charges for Services	$ 13,253
TOTAL OPERATING REVENUES	13,253
OPERATING EXPENSES:	
Salaries	573,034
Employee Benefits	75,831
Purchased Property Service	71,695
Other Purchased Services	800
Supplies	842,052
Depreciation	13,961
Other Operating Expenses	374
TOTAL OPERATING EXPENSES	1,577,747
OPERATING INCOME (LOSS)	(1,564,494)
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	3,611
State Sources	50,752
Federal Sources	1,662,391
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,716,754
INCOME (LOSS) BEFORE CONTRIBUTIONS	152,260
Transfers in (out)	-
CHANGES IN NET POSITION	152,260
NET POSITION - BEGINNING	427,737
NET POSITION - ENDING	**$ 579,997**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Statement of Cash Flows
Proprietary Funds
As of June 30, 2024

	FOOD SERVICE FUND	DISCRETELY PRESENTED COMPONENT UNIT EXECUTIVE EDUCATION FOUNDATION
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Users	$ 13,279	$ 6,012,210
Cash Received from Other Operating Revenue	-	109,280
Cash Payments to Employees for Services	(648,865)	-
Cash Payments to Suppliers for Goods and Services	(371,215)	(2,330,320)
Cash Payments to Other Operating Expenses	(374)	(176,757)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(1,007,175)	3,614,413
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State Sources	51,205	-
Federal Sources	1,567,800	-
Advances from Primary Government	-	143,040
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	1,619,005	143,040
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Facilities Acquisition/Const./Improvement Svcs.	(68,833)	(4,521,428)
Payments on Bond Principal	-	(590,000)
Payments on Financing Agreements Principal	-	(36,769)
Payments on Bond Interest	-	(3,104,313)
Payments on Financing Agreements Interest	-	(39,254)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(68,833)	(8,291,764)
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on Investments	3,611	389,126
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	3,611	389,126
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	546,608	(4,145,185)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	542,555	12,029,065
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 1,089,163**	**$ 7,883,880**

<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>

	FOOD SERVICE FUND	EXECUTIVE EDUCATION FOUNDATION
OPERATING INCOME (LOSS)	$ (1,564,494)	$ 3,408,682
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Donated Commodities Used	108,355	-
Depreciation	13,961	889,520
Bond Issuance Costs	-	-
Amortization of Bond Discount	-	1,879
CHANGE IN ASSETS AND LIABILITIES:		
(Increase) Decrease in Accounts Receivable	-	(5,010)
(Increase) Decrease in Lease Receivable	-	(9,201,131)
(Increase) Decrease in Advances from Other Funds	-	(5,483)
(Increase) Decrease in Inventory	8,150	-
Increase (Decrease) in Accounts Payable	(179,091)	(651,038)
Increase (Decrease) in Interfund Payable	604,542	-
Increase (Decrease) in Interest Payable	-	(23,341)
Increase (Decrease) in Prepayments from Persons or Firms	26	-
Increase (Decrease) in Deferred Inflows of Resources - Leases	-	9,201,131
Increase (Decrease) in Unearned Revenue	1,376	(796)
TOTAL ADJUSTMENTS	557,319	205,731
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**$ (1,007,175)**	**$ 3,614,413**

The Accompanying Notes are an integral part of these financial statements.

Executive Education Academy Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended June 30, 2024

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS GAAP BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	$ 17,988,129	$ 17,988,129	$ 20,964,450	$ 2,976,321
State Sources	205,000	205,000	293,475	88,475
Federal Sources	3,867,367	3,867,367	3,061,525	(805,842)
TOTAL REVENUES	22,060,496	22,060,496	24,319,450	2,258,954
EXPENDITURES				
Regular Instruction	9,810,447	9,795,196	11,479,792	(1,684,596)
Special Programs	1,425,000	1,372,820	1,372,820	-
Community/Junior College Ed. Programs	1,000	41,000	41,000	-
Pupil Personnel Services	116,000	97,604	97,604	-
Instructional Staff Services	675,394	460,482	460,482	-
Administrative Services	2,714,000	2,687,122	2,687,122	-
Pupil Health	303,000	254,380	254,380	-
Business Services	546,976	392,045	392,045	-
Operation & Maintenance of Plant Services	1,304,139	1,618,654	12,913,156	(11,294,502)
Student Transportation Services	53,795	42,416	42,416	-
Central Support Services	314,470	281,943	281,943	-
Student Activities	439,904	594,104	594,104	-
Community Services	155,158	146,857	146,857	-
Facilities, Acquisition and Construction	-	80,720	80,720	-
Debt Service	4,201,213	4,195,153	4,195,153	-
TOTAL EXPENDITURES	22,060,496	22,060,496	35,039,594	(12,979,098)
Excess (deficiency) of revenues over expenditures	-	-	(10,720,144)	(10,720,144)
OTHER FINANCING SOURCES (USES)				
Proceeds From Leases	-	-	11,294,502	11,294,502
TOTAL OTHER FINANCING SOURCES (USES)	-	-	11,294,502	11,294,502
Extraordinary Items	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	574,358	574,358
FUND BALANCE - JULY 1, 2023	5,261,579	5,261,579	7,203,915	1,942,336
FUND BALANCE - JUNE 30, 2024	**$ 5,261,579**	**$ 5,261,579**	**$ 7,778,273**	**$ 2,516,694**

The Accompanying Notes are an integral part of these financial statements.

Note 1 - Description of the School and Reporting Entity

School

The Executive Education Academy Charter School (the School) was established to operate a Charter School within the Allentown School District through June 30, 2024 in accordance with the provisions of the Charter School Law, 24 P.S. 17 17-01-A et seq. The School is regulated by the Pennsylvania Department of Education. The charter may be renewed for additional periods of five years and can only be terminated in accordance with the provisions of applicable law.

Executive Education Academy Charter School established in September 2014, is a non-profit, K-12 public charter school presently serving over 1,300 students. As a charter school, EEACS is funded by public dollars and represents an alternative choice for parents/guardians to education available in public school districts.

Executive Education Academy Charter School utilizes the 10 integrated principles to meet the demands of the common core and design our academic program. These were developed by a scan of design principles used by New York City Department of Education. These principles are highly researched by high performing school networks, and refined with the feedback and contributions of experienced educators, integrates positive youth development to optimize student engagement and effort.

What encapsulates all of the design principles is our signature normative culture. Our normative culture model uses the intentional manipulation of norms to change anti-social behavior into pro-social behavior.

The School's financial statements are prepared in accordance with generally accepted accounting principles, (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Board of Trustees

As part of Executive Education Academy Charter School's governing board, trustees are volunteers who support the continued success of Executive Education Academy Charter School (EEACS) by contributing their experience and expertise to the oversight of school operations and accountability.

Members of the Board of Trustees are charged with setting overall policy and direction for the Executive Education Academy Charter School. Specific duties are listed in the school's By Laws and the term of office for At Large Trustees is three years. Each Trustee is required to attend monthly Board Meetings and to serve as a liaison to various school committees and organizations.

Administration

The Chief Executive Officer (CEO) shall administer the School in conformity with Board policies and the School Laws of Pennsylvania. The CEO shall be directly responsible to, and therefore appointed by, the Board of Trustees. The CEO shall be responsible for the overall administration, supervision, and operation of the School.

The Chief Financial Officer, recommended by the CEO and appointed by the Board of Trustees, shall supervise and coordinate all business aspects of the School. In this capacity, he or she shall be responsible to ensure that all work accomplished by him/her, or by personnel under his/her supervision, is in the best interests of the Executive Education Academy Charter School. The Chief Financial Officer is directly responsible to the Chief Executive Officer.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School. For Executive Education Academy Charter School, this includes general operations, food service, and student related activities of the School.

Executive Education Academy Charter School governed by an appointed five-member board. As required by generally accepted accounting principles, these financial statements are to present Executive Education Academy Charter School (the primary government) and organizations for which the primary government is financially accountable. The School is financially accountable for an organization if the School appoints a voting majority of the organization's governing board and (1) the School is able to significantly influence the programs or services performed or provided by the organization; or (2) the School is legally entitled to or can otherwise access the organization's resources; the School is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the School in that the School approved the budget, the issuance of debt, or the levying of taxes. The Executive Education Academy Charter School has one component unit.

Component Unit

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as its component unit The Executive Education Academy Charter School Foundation (the Foundation). The Foundation is a legally separate, nonprofit corporation and is considered a component unit of the School. The Foundation is a tax exempt organization under the Internal Revenue Code. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the School in support of its programs. Per its organizing documents, the Foundation has been established to operate exclusively for the support and benefit of the School. The activities of the Foundation are reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization that reports its financial results in accordance with Financial Accounting Standard Board (FASB) Codification. Most significant to the Foundation’s operations and reporting model are FASB ASC 958-605 related to revenue recognition and FASB ASC 958-205 related to presentation of financial statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and revenue features. Modifications have been made to the Foundation’s financial information in the School’s financial reporting entity for these differences; however, note disclosures significant to the Foundation’s financial statements have been incorporated into the School’s notes to the financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced. GASB Statement No. 62 was issued to include all prior Financial Accounting Standards Board’s statements and interpretations, along with predecessors’ statements and interpretations, pertaining to governments into the hierarchy of the Governmental Accounting Standards Board’s jurisdiction.

A. Basis of Presentation

The School's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School's governmental activities, and for one business-type activity of the School, and the discretely presented component unit. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School, and the component unit, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the School or the component unit.

Fund Financial Statements During the year, the School segregates transactions related to certain School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Fund Accounting

The School uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Deferred Outflows of Resources is recorded in a particular governmental fund where costs are spent for a future period. Current Liabilities are assigned to the governmental fund from which they will be paid. Deferred Inflows of Resources is recorded in a particular governmental fund that has received resources for a future period. The difference between the sum of assets and deferred outflows of resources minus the sum of liabilities and deferred inflows of resources is reported as fund balance. The following are the School's major governmental funds:

General Fund

The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as enterprise funds. The Proprietary Funds of the School have operating and nonoperating revenues and/or expenses. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are reported as nonoperating revenues and/or expenses, including subsidies received from the state and federal government for school lunches, donated commodities, and amounts received for fica and retirement subsidies. Operating revenues reported are consistent with the fees or charges incurred based on the intent of the individual proprietary fund.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School's major enterprise fund is:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the School.

Fiduciary Funds Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: Pension (and other employee benefit) trust funds, investment trust funds, Private-purpose trust funds and Custodial funds. The School District has two Fiduciary Funds.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the School are included on the statement of net position.

The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation's with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all enterprise funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities, including required deferred outflows of resources or required deferred inflows of resources, associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

E. Budgetary Process

An operating budget is adopted prior to the beginning of each year for the General Fund on the modified accrual basis of accounting.

The Pennsylvania School Code dictates specific procedures relative to adoption of the School's budget and reporting in its financial statements, specifically:

- The School is required to prepare a proposed operating budget for the following fiscal year. The budget is prepared on a form prescribed the Pennsylvania Department of Education.
- The Board of Trustees may make transfers of funds appropriated to any particular item of expenditure by legislative action. There were no supplemental budget amendments for the year ended June 30, 2024.
- Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Trustees, which authorize the School to make expenditures. Appropriations lapse at the end of the fiscal period. The level of control or the level on which expenditures may not legally exceed appropriations is the fund. Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program-by-program basis by the state or federal funding agency.
- A Proprietary fund budget is not adopted.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Changes in Accounting Principles

During the 2023-24 fiscal year the School District implemented the following new generally accepted accounting principle:

GASB Statement No. 100 (Accounting Changes and Error Corrections). This statement was implemented to improve the clarity in the accounting for changes in estimates, principles, and the correction of errors in the financial statements.

H. Pensions

The School established a 403 (b) plan, known as the PSERS Alternative Plan, which is available to all eligible employees.

I. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Proprietary Fund type considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Investments

In accordance to GASB Statement No. 72, investments generally are to be measured at fair value. An investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has the present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts.

A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share of the investment.

This Statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets. These assets were previously required to be measured at fair value.

Fair Value is measured using a hierarchy of inputs using valuation techniques. The hierarchy has three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

The valuation techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The School maintains a capitalization threshold of two-thousand five hundred ($2,500) dollars. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

All reported capital assets except land, certain land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

PRIMARY GOVERNMENT

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Leasehold Improvements	5 years	5 years
Equipment	5 years	5 years
Furniture & Fixtures	7 years	7 years
Right to Use Assets	Length of Lease	Length of Lease

COMPONENT UNIT - FOUNDATION

Description	Foundation Activities Estimated Lives
Buildings	50 years
Building Improvements	20 to 25 years
Equipment	5 to 15 years
Furniture & Fixtures	5 to 15 years

Compensated Absences

The School provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries.

Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Unused sick leave benefits or paid time off benefits are allowed to accumulate up to a specific annual limit per written policy. Upon termination, other than at year-end contract completion, employees are not eligible for reimbursement of any unused personal time off.

LEASES

Lessee:

The Executive Education Academy Charter School is a lessee for noncancellable leases of equipment, real estate, and building space. The School recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School recognizes lease liabilities with an initial, individual value of $20,000 or more.

At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School is reasonably certain to exercise.

The School monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor:

The Executive Education Academy Charter School is a lessor for several noncancellable lease of building space. The School recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the School initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the School determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The School uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The School monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SBITAs (Subscription Based Information Technology Arrangements)

Occasionally the District enterers into Subscription-Based Information Technology Arrangements. These arrangements grant the District the right to access use of software that is hosted by third-party vendors over a specified contract term. Unlike traditional software, the District does not take physical possession of or have the right to control the software; instead, it accesses the uses the software remotely.

In the entity-wide financial statements, SBITAs are reported as intangible assets based on the present value of future subscription payments to be made over the life of the arrangement. Correspondingly, a liability is recognized for the future payments, and it is amortized over the life of the SBITA. The amortization expense related to the intangible asset and any interest expense associated with the recognized liability are reported in the Statement of Activities.

In the fund financial statements, under the modified accrual basis of accounting, expenditures are recognized for SBITA payments when they are due. Therefore, no intangible asset or corresponding liability is reported in the governmental fund statements. The expenditures related to SBITA payments are recognized in the fund's Statement of Revenues, Expenditures, and Changes in Fund Balances in the period they payment is due.

Other Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, which consists of capital leases, are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. The discretely presented component unit (Foundation) reports taxable and tax exempt revenue bonds.

In the fund financial statements, the face amount of debt issued is reported as other financing sources while debt payments are reported as expenditures.

Reclassification

Certain amounts have been reclassified to conform to the June 30, 2024, presentation of government-wide financial statements on the accrual basis of accounting versus the governmental fund financial statements reported on the modified accrual basis of accounting.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Investment in Capital Assets component of Net Position is comprised 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. In addition, any deferred outflows of resources and/or deferred inflows of resources related to such capital assets or liabilities associated with the capital assets should also be added to or deducted from the overall Net Investment in Capital Assets. The restricted component of Net Position is used when there are limitations imposed on their use either through the enabling legislation adopted by a higher governmental authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining component of Net Position is unrestricted.

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

Fund Balance Categories

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Below are the potential categories of fund balance the government may use with their definitions, the actual categories used is explained in Note 8 to the financial statements.

Nonspendable Fund Balance

This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance

Fund balance should be reported as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, or other government laws or regulations, or the constraint is imposed by enabling legislation or constitutional provisions.

Committed Fund Balance

This category pertains to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action.

This government's governing body is the School Board and the formal action taken to commit resources is done by resolution.

Assigned Fund Balance

This category includes all remaining amounts that are reported in governmental funds, except the general fund, that are not classified in one of the above-mentioned categories. In the general fund, this category represents the School's intent to use resources for a specific purpose, which does not require formal action by the governing body.

Unassigned Fund Balance

This category of fund balance represents the residual classification for the general fund after segregating resources used in the other categories listed above. Unassigned fund balance will only be shown in other governmental funds if those governmental funds have a negative net fund balance.

The School's policy on fund balance does not dictate which category of unrestricted fund balance is spent first, when resources are available to be spent in various categories. As such, committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts. The School's policy also does not dictate whether restricted (nonspendable or restricted) or unrestricted (committed, assigned, and unassigned) is spent first when resources are available in both categories. As such, in these circumstances, restricted will be assumed to have been spent first followed by the unrestricted categories.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds received no capital contributions during this fiscal year.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements

A. *Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.*

The governmental fund balance sheet includes a reconciliation between "fund balance - total governmental funds" and "net position - governmental activities" as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including lease payable, are not due and payable in the current period and therefore are not reported in the funds".

The details of the $64,167,159 difference are:

Lease Obligations	$ 64,167,159
Net Pension Liability	-
Net adjustment to reduce "fund balance - total governmental funds" to arrive at "net position - governmental activities"	**$ 64,167,159**

B. *Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities.*

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and School-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. Differences between the governmental funds statement of revenues, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns below represent:

a) Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.

b) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording of depreciation expense on those items as recorded in the statement of activities.

Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability; principal payments are recorded as a reduction of liabilities.

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUES/ EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	TOTAL FOR STATEMENT OF ACTIVITIES
REVENUES AND OTHER SOURCES					
LOCAL SOURCES:					
Interest and investment earnings	$ 28,532	$ -	$ -	$ -	$ 28,532
Miscellaneous	-	-	-	-	-
Contributions and Donations	194,775	-	-	-	194,775
Charges for Services	127,835	-	-	-	127,835
Receipts from Other LEAs	20,472,730	-	-	-	20,472,730
Proceeds from Leases	11,294,502	-	-	(11,294,502)	-
INTERMEDIATE SOURCES:					
Operating grants and contributions	3,594	-	-	-	3,594
STATE SOURCES:					
Operating grants and contributions	295,112	-	-	-	295,112
FEDERAL SOURCES:					
Operating grants and contributions	3,196,872	-	-	-	3,196,872
TOTAL REVENUES	35,613,952	-	-	(11,294,502)	24,319,450
			-		
EXPENDITURES/EXPENSES					
Instruction	12,893,612	-	(26,852)	-	12,866,760
Instructional Student Support	812,466	-	-	-	812,466
Admin. & Fin'l Support Services	3,361,110	-	20,239	-	3,381,349
Oper. & Maint. Of Plant Svcs.	12,913,156	-	(9,330,347)	-	3,582,809
Pupil Transportation	42,416	-	-	-	42,416
Student activities	594,104	-	(101,542)	-	492,562
Community Services	146,857	-	-	-	146,857
Capital Outlay	80,720	-	(80,720)	-	-
Debt Service	4,195,153	-	-	(1,315,622)	2,879,531
Depreciation - unallocated	-	-	45,068	-	45,068
TOTAL EXPENDITURES/EXPENSES	35,039,594	-	(9,474,154)	(1,315,622)	24,249,818
NET CHANGE FOR THE YEAR	**$ 574,358**	**$ -**	**$ 9,474,154**	**$ (9,978,880)**	**$ 69,632**

Note 4 - Stewardship, Compliance, and Accountability

A. *Compliance with Finance Related Legal and Contractual Provisions*

The School has no material violations of finance related legal and contractual provisions.

B. *Deficit Fund Balance or Net Position of Individual Funds*

No individual fund contains a deficit fund balance or net position at June 30, 2024, except the executive education foundation has $530,735 in deficit net position.

C. *Excess of Expenditures over Appropriations in Individual Funds*

During the reported fiscal period, the General Fund, guided by its legally established budget, recorded expenditures that surpassed the budgeted appropriations by $12,979,098. A notable contributor to this discrepancy was the unanticipated additional allocation of $11,294,502 from lease funding. Given these funds' post-budget inception, they were not accounted for in the original budget projections. The residual over-expenditures stemmed from additional monies needed for instructional purposes from the additional students that attended the Charter School during the 23-24 school year that were not in the original budget projections.

D. *Budgetary Compliance*

The School's only legally adopted budget is for the General Fund. All budgetary transfers were made within the last nine months of the fiscal year. The School cancels all purchase orders open at year-end; therefore, it does not have any outstanding encumbrances at June 30, 2024.

Note 5 - Detailed Notes on All Funds and Account Groups

Assets

Cash – Charter School

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2024, $5,289,574 of the District's bank balance of $5,366,759 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$	636
Collateralized with securities held by the pledging financial institution		-
Uninsured and collateral held by the pledging bank's trust department not in the School's name		5,288,938
TOTAL	**$**	**5,289,574**

Reconciliation to Financial Statements

Uncollateralized Amount Above	$	5,289,574
Plus: Insured Amount		77,185
Less: Outstanding Checks		(14,973)
Carrying Amount - Bank Balances		5,351,786
Plus: Petty Cash		230
Deposits in Investment Pools Considered Cash Equivalents		-
Negative Balances Flipped to Accounts Payable		115
Less: Certificates of Deposit considered Investment by School Code		-
TOTAL CASH PER FINANCIAL STATEMENTS	**$**	**5,352,131**

Cash – Component Unit Foundation

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Foundation does not have a policy for custodial credit risk. As of June 30, 2024, $7,561,696 of the Foundation's bank balance of $7,843,883 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 844,426
Collateralized with securities held by the pledging financial institution	-
Uninsured and collateral held by the pledging bank's trust department not in the School's name	6,717,270
TOTAL	**$ 7,561,696**

Reconciliation to Financial Statements

Uncollateralized Amount Above	$ 7,561,696
Plus: Insured Amount	306,153
Less: Outstanding Checks	(23,966)
Carrying Amount - Bank Balances	7,843,883
Plus: Petty Cash	-
Deposits in Investment Pools Considered Cash Equivalents	-
Less: Certificates of Deposit considered Investment by School Code	-
TOTAL CASH PER FINANCIAL STATEMENTS	**$ 7,843,883**

Investments

Permitted investments for Executive Education Academy Charter School are defined in the Public School Code of 1949, as amended by Act 10 of 2016 as:

1. United States Treasury Bills;
2. Short-term obligations of the United States Government or its agencies or instrumentalities;
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the F.D.I.C; and,
4. Obligations of the United States of America or any of its agencies or instrumentalities, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.
5. Obligations, participations or other instruments of any Federal Agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
6. Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government sponsored enterprise.

7. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or State-chartered bank, a Federal or State savings and loan association or a State-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.

8. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.

9. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the paper is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.

10. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and, if all of the following conditions are met:

    - The investments of the company are the authorized investments listed above.

    - The investment company is managed in accordance with 17 CFR 270.2a-7 (related to money market funds.

    - The investment company is rated in the highest category by a nationally recognized rating agency.

11. Savings or demand deposits placed in accordance with the following conditions:

    - The money is initially deposited and invested through a federally insured institution having a place of business in this Commonwealth, which is selected by the public corporation or municipal authority.

    - The selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation, for the account of the public corporation or municipal authority.

    - The full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation.

    - On the same date that the money is redeposited pursuant to above, the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the public corporation or municipal authority.

Fair Value Reporting

The Charter School and Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Charter School and Foundation did not have any recurring or non-recurring fair value investments at June 30, 2024.

As of June 30, 2024, the School had the following investments:

Investments	Maturities	Fair Value
PLGIT		$ -
PSDLAF		-
Total Investments		$ -

Interest Rate Risk

The Charter School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Charter School has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2024, the School did not have any investments.

Concentration of Credit Risk

The Charter School places no limit on the amount the school may invest in any one issuer.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Chart School will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Charter School has no investments subject to custodial credit risk.

Reconciliation to Financial Statements

Total Investments Above	$ -
Less: Deposits in Investment Pools Considered Cash Equivalents	-
Deposits in money Money Market Mutual Funds Considered Cash Equivalents	-
Total Investments, per financial statements	$ -

As of June 30, 2024, the Component Unit Foundation had the following investments:

Investments	Maturities	Fair Value
PLGIT		$ -
PSDLAF		-
Total		$ -

Interest Rate Risk

The Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Foundation has no investment policy that would limit its investment choices to certain credit ratings.

Concentration of Credit Risk

The Foundation places no limit on the amount the entity may invest in any one issuer. The Foundation did not have any investments as of June 30, 2024.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Foundation has no investments subject to custodial credit risk.

Reconciliation to Financial Statements

Total Investments Above	$ -
Less: Deposits in Investment Pools Considered Cash Equivalents	-
Deposits in money Money Market Mutual Funds Considered Cash Equivalents	-
Total Investments, per financial statements	$ -

Receivables

Receivables, as of year-end, for the government's individual major funds and non-major and fiduciary funds, in the aggregate, including the applicable allowances for uncollectible accounts, are:

Schedule on Receivables for major, nonmajor, and fiduciary funds

	GENERAL FUND	FOOD SERVICE FUND	NON-MAJOR FUNDS	TOTAL
RECEIVABLES:				
Interest	$ -	$ -	$ -	$ -
Taxes	-	-	-	-
Accounts	82,334	-	-	82,334
Intergovernmental	2,401,374	31,264	-	2,432,638
GROSS RECEIVABLES	2,483,708	31,264	-	2,514,972
Less: Allowance for Uncollectibles	-	-	-	-
NET RECEIVABLES	**$ 2,483,708**	**$ 31,264**	**$ -**	**$ 2,514,972**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds.

Primary Government

	UNAVAILABLE	UNEARNED
Grants drawdowns prior to meeting eligibility requirements	-	-
TOTAL	**$ -**	**$ -**

Component Unit

	UNAVAILABLE	UNEARNED
Related to Leases	-	75,219,523
TOTAL	**$ -**	**$ 75,219,523**

Capital Assets

Capital asset balances and activity for the year ending June 30, 2024, were:

Charter School

CAPITAL ASSET BALANCES AND CURRENT YEAR ACTIVITY

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being depreciated:				
Land	$ -	$ -	$ -	$ -
Construction in Progress	1,724,551	80,720	(1,712,063)	93,208
Total Capital Assets not being depreciated	1,724,551	80,720	(1,712,063)	93,208
Capital Assets being depreciated/amortized:				
Leasehold Improvements	313,369	2,006,028	-	2,319,397
Equipment	669,351	215,254	-	884,605
Furniture & Fixtures	511,261	8,210	-	519,471
Right-To-Use Assets	56,194,087	11,294,502	-	67,488,589
TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED	57,688,068	13,523,994	-	71,212,062
Less accumulated depreciation/amortiztion for:				
Leasehold Improvements	(42,147)	(66,565)	-	(108,712)
Equipment	(456,121)	(54,967)	-	(511,088)
Furniture & Fixtures	(425,333)	(7,038)	-	(432,371)
Right-To-Use Equipment	(3,800,923)	(2,289,927)	-	(6,090,850)
TOTAL ACCUMULATED DEPRECIATION/AMORTIZATION	(4,724,524)	(2,418,497)	-	(7,143,021)
TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED NET OF ACCUMULATED DEPRECIATION/AMORTIZATION	52,963,544	11,105,497	-	64,069,041
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION/AMORTIZATION	**$ 54,688,095**	**$ 11,186,217**	**$ (1,712,063)**	**$ 64,162,249**
BUSINESS-TYPE ACTIVITIES:				
Capital Assets being depreciated:				
Equipment	$ 119,873	$ 68,836	$ -	$ 188,709
Less accumulated depreciation	(36,018)	(13,961)	-	(49,979)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS,			-	
NET OF ACCUMULATED DEPRECIATION	**$ 83,855**	**$ 54,875**	**$ -**	**$ 138,730**

*** DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:**	
Instruction	$ 5,736
Admin. & Fin'l Support Services	79,825
Oper. & Maint. Of Plant Svcs.	2,258,120
Student activities	29,748
Depreciation - unallocated	45,068
TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES	**$ 2,418,497**

Component Unit - Foundation

CAPITAL ASSET BALANCES AND CURRENT YEAR ACTIVITY

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being depreciated:				
Land	$ 7,613,000	$ -	$ -	$ 7,613,000
Construction in Progress	3,890,357	4,096,363	(7,871,820)	114,900
Total Capital Assets not being depreciated	11,503,357	4,096,363	(7,871,820)	7,727,900
Capital Assets being depreciated:				
Site Improvements	621,919	34,900	-	656,819
Building	26,799,467	-	-	26,799,467
Building Improvements	4,973,573	8,177,577	-	13,151,150
Equipment	151,593	84,408	-	236,001
Furniture & Fixtures	-	-	-	-
TOTAL CAPITAL ASSETS BEING DEPRECIATED	32,546,552	8,296,885	-	40,843,437
Less accumulated depreciation for:				
Site Improvements	(42,714)	(37,063)	-	(79,777)
Building	(2,638,363)	(483,556)	-	(3,121,919)
Building Improvements	(836,450)	(349,959)	-	(1,186,409)
Equipment	(14,899)	(18,941)	-	(33,840)
Furniture & Fixtures	-	-	-	-
TOTAL ACCUMULATED DEPRECIATION	(3,532,426)	(889,519)	-	(4,421,945)
TOTAL CAPITAL ASSETS BEING DEPRECIATED NET OF ACCUMULATED DEPRECIATION	29,014,126	7,407,366	-	36,421,492
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	**$ 40,517,483**	**$ 11,503,729**	**$ (7,871,820)**	**$ 44,149,392**

Lease receivables - Foundation

AW Driving School

Effective July 1, 2021, the Foundation was leasing building space with AW Driving School. The lease is for over 3 years, with an initial term through December 31, 2024 and a five-year option to extend that is reasonably certain to be exercised. The Foundation will receive monthly payments of $4,205. The Foundation recognized $41,481 in lease revenue and $8,979 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the Foundation's receivable for lease payments was $267,081. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $267,081.

Center for Humanistic Change

Effective July 1, 2021, the Foundation was leasing building space with the Center for Humanistic Change. The lease is for over 3 years, with an initial term through December 31, 2024 and a three-year option to extend that is reasonably certain to be exercised. The Foundation will receive monthly payments of $5,795. The Foundation recognized $63,883 in lease revenue and $5,652 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $234,449. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $234,449.

Community Services for Children

Effective July 1, 2021, the Foundation was leasing building space with the Community Services for Children. The lease is for over 10 years, with an initial term through December 31, 2032 and a five-year option to extend that is reasonably certain to be exercised. The Foundation will receive monthly payments of $21,204. The Foundation recognized $140,899 in lease revenue and $113,544 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $2,733,707. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $2,733,707.

Department of Revenue

Effective July 1, 2021, the Foundation was leasing building space with the Department of Revenue. The lease is for 5 years, with an initial term through March 31, 2026 and two five-year options to extend that are reasonably certain to be exercised. The Foundation will receive monthly payments of $17,461. The Foundation recognized $124,847 in lease revenue and $84,683 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $2,160,490. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $2,160,490.

Department of Human Services

Effective July 1, 2021, the Foundation was leasing building space with the Department of Human Services. The lease is for 5 years, with an initial term through March 31, 2026 and two five-year options to extend that are reasonably certain to be exercised. The Foundation will receive monthly payments of $42,382. The Foundation recognized $304,996 in lease revenue and $203,593 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $5,191,534. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $5,191,534.

Gummy Bears Learning Center

Effective July 1, 2021, the Foundation was leasing building space with the Gummy Bears Learning Center. The lease is for over 3 years, with an initial term through October 31, 2024 and two three-year options to extend that are reasonably certain to be exercised. The Foundation will receive monthly payments of $5,750. The Foundation recognized $45,748 in lease revenue and $23,252 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $620,962. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $620,962.

Executive Education Academy Charter School (Primary Government)

Effective July 1, 2021, the Foundation was leasing building space with the Charter School at 555 Union Boulevard. The lease is for 30 years, with an initial term through August 15, 2052. The Foundation will receive monthly payments of $337,946. The Foundation recognized $1,199,738 in lease revenue and $2,855,613 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $63,494,196. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $63,494,196.

Effective July 1, 2021, the Foundation was leasing additional real estate located at 413 Union Boulevard with the Charter School. The lease is for over 13 years, with an initial term through October 31, 2034. The Foundation will receive monthly payments of $5,000. The Foundation recognized $40,588 in lease revenue and $19,412 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Foundation's receivable for lease payments was $517,103. Also, the Foundation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was $517,103.

The future lease payments as of June 30, 2024, were as follows:

FISCAL YEAR	AW Driving	CHC	CSC	DOR	DHS
2024-25	$ 44,135	$ 65,238	$ 146,698	$ 129,675	$ 316,790
2025-26	46,895	66,621	152,735	139,080	338,395
2026-27	48,369	68,034	159,021	157,883	380,083
2027-28	49,890	34,556	165,566	163,988	394,781
2028-29	51,459	-	172,380	170,330	410,046
2029-34	26,333	-	993,888	995,996	2,386,576
2034-39	-	-	943,418	403,538	964,863
2039-44	-	-	-	-	-
2044-49	-	-	-	-	-
2049-52	-	-	-	-	-
Totals	**$ 267,081**	**$ 234,449**	**$ 2,733,707**	**$ 2,160,490**	**$ 5,191,534**

FISCAL YEAR	Gummy Bears	EEACS - 555	EEACS - 413		Totals
2024-25	$ 48,878	$ 984,847	$ 42,074		$ 1,778,335
2025-26	51,408	1,033,873	43,614		1,872,620
2026-27	53,289	1,085,404	45,210		1,997,294
2027-28	55,240	1,138,987	46,865		2,049,873
2028-29	57,261	1,196,101	48,580		2,106,158
2029-34	330,607	6,934,445	270,909		11,938,755
2034-39	24,279	8,840,925	19,851		11,196,875
2039-44	-	11,274,341	-	-	11,274,341
2044-49	-	16,664,248	-	-	16,664,248
2049-52	-	14,341,024	-	-	14,341,024
Totals	**$ 620,962**	**$ 63,494,196**	**$ 517,103**	**$ -**	**$ 75,219,523**

Commitments

Encumbrances

Any encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The General Fund Budget is maintained on the modified accrual basis of accounting, except that budgetary basis expenditures include any encumbrances issued for goods or services not received at year-end and not terminated.

The actual results of operations are presented in accordance with GAAP and the School's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. If budgetary encumbrances exist at year-end, they are included in the fund financial statements to reflect actual revenues and expenditures on a budgetary basis consistent with the School's legally adopted budget.

The Foundation had the following construction commitments at year end:

	CONTRACT AMOUNT	EXPENDED TO 6/30/24	ENDING BALANCE
SCHOOL PROJECTS			
Playground			
Willow Playworks	$ 248,110	$ -	$ 248,110
FOUNDATION PROJECTS			
EEACS Concrete Islands (Parking Lot)			
Semmel Excavating LLC	$ 153,850	$ 114,900	$ 38,950
TOTAL COMMITMENTS	**$ 401,960**	**$ 114,900**	**$ 287,060**

Short-term Debt

Interfund balances between funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. The balances generally are paid shortly after year end. Transfers represent funds set aside for the anticipation of future capital needs.

Interfund receivables and payables

The following interfund receivables and payables existed on June 30, 2024:

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	$ 2,089,698	$ 53,673
Foundation	58,273	686,128
Food Service Fund	-	1,408,170
TOTAL	**$ 2,147,971**	**$ 2,147,971**

Interfund Transfers

The School made the following interfund transfers during the fiscal year ended June 30, 2024:

	TRANSFER IN	TRANSFER OUT
General Fund	$ -	$ -
Food Service Fund	-	-
TOTAL	**$ -**	**$ -**

Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2024, were:

Primary Government - Charter School

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
Governmental Activities					
Other liabilities:					
Lease Obligations	$ 54,188,279	$ 11,294,502	$ 1,315,622	$ 64,167,159	$ 1,103,959
Vested employee benefits:					
Vacation Pay	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	**$ 54,188,279**	**$ 11,294,502**	**$ 1,315,622**	**$ 64,167,159**	**$ 1,103,959**
BUSINESS-TYPE ACTIVITIES					
Other liabilities:					
Vested employee benefits:					
Vacation pay	$ -	$ -	$ -	$ -	$ -
Sick pay	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Payments on leases are made by the general fund. Vested employee benefits will be liquidated by governmental and proprietary funds. The School currently does not have any leases payable in business-type activities.

Total Interest paid and accrued during the year:

GOVERNMENTAL ACTIVITIES:	EXPENSE	PAID
Lease Interest	$ 2,879,531	$ 2,879,531
Refund of Prior Year Receipts	-	-
TOTAL INTEREST FOR GOVERNMENTAL ACTIVITIES	**$ 2,879,531**	**$ 2,879,531**

Component Unit - Foundation

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
Foundation Debt:					
Series A of 2017 Bonds - Tax Exempt	$ 34,810,000	$ -	$ -	$ 34,810,000	$ -
Series B of 2017 Bonds - Taxable	4,578,141	1,879	590,000	3,990,020	640,000
Series of 2022 Bonds - Tax Exempt	8,770,000	-	-	8,770,000	-
Total revenue bond debt	48,158,141	1,879	590,000	47,570,020	640,000
Other liabilities:					
Mortgage Payable (QNB Loan)	981,840	-	36,767	945,073	36,769
Vested employee benefits:					
Vacation Pay	-	-	-	-	-
Total other liabilities	981,840	-	36,767	945,073	36,769
LONG-TERM LIABILITIES	**$ 49,139,981**	**$ 1,879**	**$ 626,767**	**$ 48,515,093**	**$ 676,769**

Total interest paid and accrued during the year for the Foundation:

COMPONENT UNIT - FOUNDATION	EXPENSE	PAID
Revenue Bonds	$ 3,082,851	$ 3,104,313
QNB Mortgage	39,254	39,254
TOTAL INTEREST FOR COMPONENT UNIT FOUNDATION	**$ 3,122,105**	**$ 3,143,567**

Primary Government – Charter School – Debt

Lease – Toshiba E-Studio Printers

On July 1, 2021, the Charter School entered into a 60-month lease as lessee for the acquisition and use of Toshiba E-Studio printers. An initial lease liability was recorded in the amount of $377,395 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $155,859. Executive Education Academy Charter School is required to make monthly fixed payments of $6,650. The lease has an interest rate of 2.29%. The Equipment has a five-year estimated useful life. The value of the right to use asset as of June 30, 2024 was $377,395 with accumulated amortization of $226,437.

The future principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 77,038	$ 2,764	$ 79,802
2025-26	78,821	981	79,802
TOTAL OUTSTANDING	$ 155,859	$ 3,745	$ 159,604

Lease – Foundation (Component Unit) – 555 Union Boulevard

On July 1, 2021, The Charter School entered into a 31-year lease as lessee for the acquisition and use of building space. An initial lease liability was recorded in the amount of $64,693,934 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $63,494,196. The Charter School is required to make monthly fixed payments of $337,946. The lease has an interest rate of 4.87%. The building space has a 39-year estimated useful life. The value of the right to use asset as of June 30, 2024 was $66,487,149 with accumulated amortization of $5,730,689.

The future principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 984,846	$ 3,070,379	$ 4,055,225
2025-26	1,033,872	3,021,332	4,055,204
2026-27	1,085,404	2,969,842	4,055,246
2027-28	1,138,988	2,915,796	4,054,784
2028-29	1,196,102	2,859,064	4,055,166
2029-34	6,934,444	13,340,298	20,274,742
2034-39	8,840,926	11,432,970	20,273,896
2039-44	11,274,342	9,000,869	20,275,211
2044-49	16,664,248	5,794,447	22,458,695
2049-52	14,341,024	1,102,182	15,443,206
TOTAL OUTSTANDING	$ 63,494,196	$ 55,507,179	$ 119,001,375

Lease – Foundation (Component Unit) – 413 Union Boulevard

On July 1, 2021, the Charter School entered into a 13-year lease as lessee for the acquisition and use of certain real estate located at 413 Union Blvd., Allentown, PA. An initial lease liability was recorded in the amount of $624,046 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $513,103. The Charter School is required to make monthly fixed payments of $5,000. The lease has an interest rate of 3.60%. The real estate has an indefinite estimated useful life. The value of the right to use asset as of June 30, 2024 was $624,046 with accumulated amortization of $133,724.

The future principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 42,074	$ 17,926	$ 60,000
2025-26	43,614	16,386	60,000
2026-27	45,210	14,790	60,000
2027-28	46,865	13,135	60,000
2028-29	48,580	11,420	60,000
2029-34	270,909	29,091	300,000
2034-35	19,851	149	20,000
TOTAL OUTSTANDING	$ 517,103	$ 102,897	$ 620,000

Component Unit – Foundation Debt

Lease Revenue Bonds – Series A of 2017

On August 9, 2017, the Executive Education Academy Charter School Foundation issued $34,810,000 of Tax Exempt Revenue Bonds – Series A of 2017. The purposes of this issue are to: (1) acquire, renovate, and equip a facility to be used, in part, as a charter school facility, and the construction of additions or other capital expenditures with respect to such facility; (2) the funding of a debt service reserve fund for the bonds, and (3) pay the costs of issuance. Certain portions of the facility not leased to the Charter School will be leased to certain other organizations pursuant to certain other individual leases. These bonds are special limited obligations of the Allentown Commercial and Industrial Development Authority and are payable solely from the revenue and property of the Borrower (Foundation) and the Charter School pledged under the Agreement. The Revenue Bonds were purchased by Zions Bank and mature between July 1, 2029 and July 1, 2047, at interest rates ranging from 5.875% to 6.25%, with total interest indebtedness of $50,342,257.

The remaining debt service obligations at June 30, 2024, are:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ -	$ 2,144,425	$ 2,144,425
2025-26	-	2,144,425	2,144,425
2026-27	-	2,144,425	2,144,425
2027-28	-	2,144,425	2,144,425
2028-29	-	2,144,425	2,144,425
2029-34	5,055,000	10,044,145	15,099,145
2034-39	7,075,000	8,216,083	15,291,083
2039-44	9,550,000	5,667,813	15,217,813
2044-48	13,130,000	1,979,687	15,109,687
TOTAL OUTSTANDING	$ 34,810,000	$ 36,629,853	$ 71,439,853

Lease Revenue Bonds – Series B of 2017

On August 9, 2017, the Executive Education Academy Charter School Foundation issued $6,865,000 of Taxable Revenue Bonds – Series B of 2017. The purposes of this issue are to: (1) acquire, renovate, and equip a facility to be used, in part, as a charter school facility, and the construction of additions or other capital expenditures with respect to such facility; (2) the funding of a debt service reserve fund for the bonds, and (3) pay the costs of issuance. Certain portions of the facility not leased to the Charter School will be leased to certain other organizations pursuant to certain other individual leases. These bonds are special limited obligations of the Allentown Commercial and Industrial Development Authority and are payable solely from the revenue and property of the Borrower (Foundation) and the Charter School pledged under the Agreement. The Revenue Bonds were purchased by Zions Bank and mature between July 1, 2018 and July 1, 2029, at interest rates ranging from 8.0% to 8.25%, with total interest indebtedness of $3,825,822.

The remaining debt service obligations at June 30, 2024, are:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 640,000	$ 296,788	$ 936,788
2025-26	690,000	243,588	933,588
2026-27	745,000	186,188	931,188
2027-28	805,000	124,188	929,188
2028-29	865,000	56,306	921,306
2029-30	250,000	10,313	260,313
TOTAL OUTSTANDING	$ 3,995,000	$ 917,371	$ 4,912,371
Less: Unamortized Discount	(4,981)		
GRAND TOTAL	$ 3,990,019		

Lease Revenue Bonds – Series of 2022

On October 3, 2022, The Foundation through the Allentown Commercial and Industrial Development Authority issued $8,770,000 of Tax-Exempt Revenue Bonds – Series of 2022. The purpose of this issue is to: (1) making certain renovations and constructing certain additions to the School Facilities including a Fieldhouse and flex space addition for the School's use on the property located at 555 Union Boulevard, Allentown, PA as well as to otherwise furnish and equip the School Facilities; (2) funding debt service reserve fund for the 2022 Bonds; (3) funding capitalized interest on the 2022 Bonds; and (4) paying the costs of issuance of the 2022 Bonds.

The remaining debt service requirements as of June 30, 2024, are:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ -	$ 613,900	$ 613,900
2025-26	-	613,900	613,900
2026-27	-	613,900	613,900
2027-28	-	613,900	613,900
2028-29	-	613,900	613,900
2029-34	-	3,069,500	3,069,500
2034-39	-	3,069,500	3,069,500
2039-44	-	3,069,500	3,069,500
2044-49	1,420,000	3,069,500	4,489,500
2049-53	7,350,000	1,390,900	8,740,900
TOTAL OUTSTANDING	$ 8,770,000	$ 16,738,400	$ 25,508,400

QNB Mortgage Note Payable

On October 29th, 2021, the Foundation purchased land and two commercial buildings at 413-427 Union Boulevard for $1,300,000. The Foundation financed $1,040,000 of this purchase with a commercial mortgage from Quakertown National Bank. Terms of the Mortgage are 240 months with a fixed rate of 4.0% with total interest indebtedness of $480,426.

The outstanding debt service requirements at June 30, 2024, are:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 38,396	$ 37,625	$ 76,021
2025-26	39,983	36,039	76,022
2026-27	41,635	34,387	76,022
2027-28	43,265	32,757	76,022
2028-29	45,142	30,879	76,021
2029-34	255,206	124,903	380,109
2034-39	312,493	67,614	380,107
2039-42	168,950	8,432	177,382
TOTAL OUTSTANDING	$ 945,070	$ 372,636	$ 1,317,706

Education Foundation Combined Long-Term Debt

The Foundation general long-term debt obligations, except for compensated absences for subsequent years are as follows:

Bonds

Fiscal Year	Tax Exempt GO Bonds - 2017A Principal	Tax Exempt GO Bonds - 2017A Interest	Taxable GO Bonds - 2017B Principal	Taxable GO Bonds - 2017B Interest	Tax Exempt GO Bonds - 2022 Principal	Tax Exempt GO Bonds - 2022 Interest	Total Bonds Principal	Total Bonds Interest
2024-25	$ -	$ 2,144,425	$ 640,000	$ 296,788	$ -	$ 613,900	$ 640,000	$ 3,055,113
2025-26	-	2,144,425	690,000	243,588	-	613,900	690,000	3,001,913
2026-27	-	2,144,425	745,000	186,188	-	613,900	745,000	2,944,513
2027-28	-	2,144,425	805,000	124,188	-	613,900	805,000	2,882,513
2028-29	-	2,144,425	865,000	56,306	-	613,900	865,000	2,814,631
2029-34	5,055,000	10,044,145	250,000	10,313	-	3,069,500	5,305,000	13,123,958
2034-39	7,075,000	8,216,083	-	-	-	3,069,500	7,075,000	11,285,583
2039-44	9,550,000	5,667,813	-	-	-	3,069,500	9,550,000	8,737,313
2044-49	13,130,000	1,979,687	-	-	1,420,000	3,069,500	14,550,000	5,049,187
2049-53	-	-	-	-	7,350,000	1,390,900	7,350,000	1,390,900
TOTAL	**$ 34,810,000**	**$ 36,629,853**	**$ 3,995,000**	**$ 917,371**	**$ 8,770,000**	**$ 16,738,400**	**$ 47,575,000**	**$ 54,285,624**

Fiscal Year	Direct Borrowing: QNB Mortgage Principal	Direct Borrowing: QNB Mortgage Interest	Bonds and Direct Borrowing: Totals Principal	Bonds and Direct Borrowing: Totals Interest
2024-25	$ 38,396	$ 37,625	$ 678,396	$ 3,092,738
2025-26	39,983	36,039	729,983	3,037,952
2026-27	41,635	34,387	786,635	2,978,900
2027-28	43,265	32,757	848,265	2,915,270
2028-29	45,142	30,879	910,142	2,845,510
2029-34	255,206	124,903	5,560,206	13,248,861
2034-39	312,493	67,614	7,387,493	11,353,197
2039-44	168,950	8,432	9,718,950	8,745,745
2044-49	-	-	14,550,000	5,049,187
2049-53	-	-	7,350,000	1,390,900
TOTAL	**$ 945,070**	**$ 372,636**	**$ 48,520,070**	**$ 54,658,260**

Note Payable - Bank

The School has a line-of-credit in the amount of $350,000 with Quakertown National Bank. The outstanding balance on the line-of-credit is $0 as of June 30, 2024. The line is secured by substantially all of the School's assets and is used for the purpose of providing working capital for the School. The interest rate on the line-of-credit is 9.5%.

Retirement Plan

Effective October 1, 2014, the School established a 403(b) plan, known as the PSERS Alternative Plan, which is available to all eligible employees. For employees who elect to participate, a mandatory 5% will be withheld from their pay. The School will make a mandatory match of 5%. The School's expense to the Plan for the year ended June 30, 2024, was $566,840.

Note 6 - Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to the destruction of assets; errors and omissions; injuries to employees; and natural disaster. Significant losses are covered by commercial insurance for all major programs.

Note 7 - Income Tax Status

The School is exempt from Federal income taxes under Section 501c (3) of the Internal Revenue Code**.** Accordingly, no provision for income taxes has been made in the accompanying financial statements. For the year ended June 30, 2024, the School had no unrelated business income. The School has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The School's Federal Exempt Organization Income Tax Return (Form 990) for 2024 is subject to examination by the IRS, generally for up to three years after filed.

The School files a Return of Organization Exempt from Income Tax annually.

Note 8 - Fund Balance Allocations

Nonspendable Fund Balance

The General Fund had $701,479 in nonspendable fund balance at June 30, 2024, comprised of $26,479 of Inventory, $675,000 held in Security Deposits.

Restricted Fund Balance

The General Fund reports a restricted fund balance totaling $1,442, attributable to an external donation specifically earmarked for the Aevidum Grant. These funds are designated solely for initiatives related to Mental Health.

Note 9 - Restricted Net Position

Net Investment in Capital Assets

The components of this restriction are total capital assets of $64,162,249, with related debt of $63,063,200, in the governmental activities. The business activities had $138,730 invested capital assets with $0 in related debt.

Note 10 - New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following standards, which have not yet been implemented:

- GASB Statement No. 101, Compensated Absences: This statement establishes standards for the recognition and measurement of liabilities for compensated absences. It will be effective for fiscal years beginning after December 15, 2023, and will be adopted by the District for the fiscal year ending June 30, 2025.

- GASB Statement No. 102, Risks and Uncertainties Disclosures: This statement requires governments to disclose risks and uncertainties that could significantly affect financial outcomes. It is effective for fiscal years beginning after June 15, 2024.

- GASB Statement No. 103, Conduit Debt Obligations (Amendment): This standard clarifies the reporting of conduit debt obligations and will be effective for fiscal years beginning after December 15, 2024.

Note 11 - Contingencies

Grants

The School received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and a condition specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund, or other applicable funds. However, in the opinion of management any such disallowed claims will not have a material adverse effect on the overall financial position of the School as of June 30, 2024.

SUPPLEMENTAL INFORMATION

Executive Education Academy Charter School
Budget and Actual - General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

		Budget	Actual	Variance
6000 - Revenue from Local Sources				
6510	Investment Earnings	$ 10,000	$ 28,532	$ 18,532
6710	Admissions	-	8,570	8,570
6740	Fees	-	90,055	90,055
6750	Student Actvity - Special Events	-	27,080	27,080
6821	State Revenue Received From Other PA Public School	-	1,637	1,637
6832	Federal IDEA Revenue Received as Pass Through	150,000	135,347	(14,653)
6920	Contributions and Donations	-	194,775	194,775
6942	Summer School Tuition	-	2,130	2,130
6944	Receipts from Other LEAs in PA	17,798,129	20,472,730	2,674,601
6999	Miscellaneous	30,000	3,594	(26,406)
	TOTAL REVENUE FROM LOCAL SOURCES	$ 17,988,129	$ 20,964,450	$ 2,976,321
7000 - Revenue from State Sources				
7320	Rental and Sinking Fund Payments	190,000	201,356	11,356
7330	Health Services	15,000	25,176	10,176
7362	Mental Health & Safety and Security Grants	-	46,943	46,943
7502	Dual Enrollment Grants	-	20,000	20,000
	TOTAL REVENUE FROM STATE SOURCES	205,000	293,475	88,475
8000 - Revenue from Federal Sources				
8514	Title I	816,995	810,322	(6,673)
8515	Title II	80,267	59,866	(20,401)
8516	Title III	13,159	13,305	146
8517	Title IV	56,946	63,959	7,013
8743	ESSER II	900,000	90,196	(809,804)
8744	ESSER III	2,000,000	1,757,452	(242,548)
8751	ARP ESSER Learning Loss	-	174,509	174,509
8753	ARP ESSER Afterschool Programs	-	44,301	44,301
	TOTAL REVENUE FROM FEDERAL SOURCES	3,867,367	3,061,525	(805,842)
9000 - Other Financing Sources				
9220	Proceeds from Leases	-	11,294,502	11,294,502
	TOTAL OTHER FINANCING SOURCES	-	11,294,502	11,294,502
	TOTAL REVENUE AND OTHER FINANCING SOURCES	**$ 22,060,496**	**$ 35,613,952**	**$ 13,553,456**

Executive Education Academy Charter School
Budget and Actual - General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

		Budget	Actual	Variance
1000 - Instruction				
1110	Regular Programs - Elem./Secondary	$ 8,348,687	$ 8,348,687	$ -
1190	Federally Funded Regular Programs	1,446,509	3,131,105	(1,684,596)
1225	Speech and Language Support	70,286	70,286	-
1241	Learning Support - Public	1,257,008	1,257,008	-
1260	Physical Support	45,526	45,526	-
1700	Higher Education Programs	41,000	41,000	-
	Total Instruction	11,209,016	12,893,612	(1,684,596)
2000 - Support Services				
2143	Psychological Counseling Services	97,604	97,604	-
2220	Technology Support Service	74,426	74,426	-
2260	Instruction and Curriulum Development Services	386,056	386,056	-
2350	Legal Services	95,174	95,174	-
2360	Office of the Superintendent (Executive Director)	521,596	521,596	-
2380	Office of the Principal Services	2,070,352	2,070,352	-
2440	Nursing Services	254,380	254,380	-
2511	Supervision of Fiscal Services	212,921	212,921	-
2514	Payroll Services	46,503	46,503	-
2515	Financial Accounting Services	131,681	131,681	-
2590	Other Support Services - Business	940	940	-
2620	Operation of Buildings Services	1,539,135	12,833,637	(11,294,502)
2660	Security Services	79,519	79,519	-
2720	Vehicle Operation Services	42,416	42,416	-
2818	System-Wide Technology Services	142,432	142,432	-
2830	Staff Services	139,511	139,511	-
	Total Support Services	5,834,646	17,129,148	(11,294,502)
3000 - Operation of Non-Instructional Services				
3250	School Sponsored Athletics	594,104	594,104	-
3300	Community Services	2,500	2,500	-
3390	Community Services	144,357	144,357	-
	Total Non-Instructional Services	740,961	740,961	-
4000 - Facilities Acquisition, Construction, and Improvement Services				
4200	Existing Site Improvement Services	80,720	80,720	-
	Total Facilities Acquisition, Construction, and Improvement Services	80,720	80,720	-
5000 - Other Expenditures and Financing Uses				
5140	Short Term Borrowing - Interest and Cost	4,195,153	4,195,153	-
	Total Other Expenditures and Financing Uses	4,195,153	4,195,153	-
	TOTAL EXPENDITURES AND OTHER FINANCING USES	**$ 22,060,496**	**$ 35,039,594**	**$ (12,979,098)**

Executive Education Academy Charter School
Budget and Actual - General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

	Budget	Actual	Variance
TOTAL REVENUE AND OTHER FINANCING SOURCES	$ 22,060,496	$ 35,613,952	$ 13,553,456
TOTAL EXPENDITURES AND OTHER FINANCING USES	22,060,496	35,039,594	(12,979,098)
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ 574,358	$ 574,358
FUND BALANCE - JULY 1, 2023	5,261,579	7,203,915	1,942,336
FUND BALANCE - JUNE 30, 2024	**$ 5,261,579**	**$ 7,778,273**	**$ 2,516,694**

Executive Education Academy Charter School
Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2024

REVENUES		
Sales - Non-Reimbursable	$ 13,253	
Federal Subsidy	1,554,036	
State Subsidy	50,752	
Federal Subisidy for Non-Food Assistance	-	
Donated Commodities Revenue	108,355	
Interest	3,611	
TOTAL REVENUES		$ 1,730,007
COST OF GOODS SOLD		
Beginning Inventory - 7/1	23,372	
Food and Milk	538,920	
Donated Commodities	111,216	
Supplies	115,983	
Ending Inventory - 6/30	(15,222)	
TOTAL COST OF GOODS SOLD		774,269
GROSS PROFIT		955,738
EXPENSES		
Salaries	573,034	
Employee Benefits	75,831	
Food Service Mgt. - Food	-	
Food Service Mgt. - Non-Food	-	
Advertising	645	
Travel	155	
Supplies & Fees - Technology	23,510	
Depreciation	13,961	
Miscellaneous Expenditures	374	
Energy	44,273	
Repairs and Maintenance	71,695	
TOTAL EXPENSES		803,478
CHANGES IN FUND NET POSITION		152,260
FUND NET POSITION - JULY 1, 2023		427,737
FUND NET POSITION - JUNE 30, 2024		**$ 579,997**

Executive Education Academy Charter School
Food Service Fund
Statement of Fund Net Position
As of June 30, 2024

ASSETS		
Cash and Cash Equivalents	$ 1,089,163	
Due From Other Funds	-	
Intergovernmental Receivables	31,264	
Other Receivables	-	
Inventory	15,222	
Equipment (net of accum. Depreciation)	138,730	
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources - Diff. in Projected vs Invest. Earnings	-	
TOTAL ASSETS & DEFERRED OUTLFOWS OF RESOURCES		**$ 1,274,379**
LIABILITIES		
Accounts Payable	$ 6,343	
Due to Other Funds	681,527	
Due to Component Unit	4,601	
Other Payables	1,911	
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources - Diff. in Expected vs Actual Experience	-	
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES		694,382
FUND NET POSITION		579,997
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND NET POSITION		**$ 1,274,379**

Executive Education Academy Charter School
Schedule on Component Unit's Tax Exempt
Revenue Bonds - Series A of 2017
For the Year Ended June 30, 2024

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ -	$ 2,144,425	$ 2,144,425
2025-26	-	2,144,425	2,144,425
2026-27	-	2,144,425	2,144,425
2027-28	-	2,144,425	2,144,425
2028-29	-	2,144,425	2,144,425
2029-30	690,000	2,124,156	2,814,156
2030-31	1,000,000	2,074,513	3,074,513
2031-32	1,060,000	2,014,000	3,074,000
2032-33	1,120,000	1,949,963	3,069,963
2033-34	1,185,000	1,881,513	3,066,513
2034-35	1,255,000	1,808,313	3,063,313
2035-36	1,330,000	1,730,763	3,060,763
2036-37	1,410,000	1,648,563	3,058,563
2037-38	1,495,000	1,561,413	3,056,413
2038-39	1,585,000	1,467,031	3,052,031
2039-40	1,685,000	1,364,844	3,049,844
2040-41	1,790,000	1,256,250	3,046,250
2041-42	1,905,000	1,140,781	3,045,781
2042-43	2,020,000	1,018,125	3,038,125
2043-44	2,150,000	887,813	3,037,813
2044-45	2,285,000	749,219	3,034,219
2045-46	2,425,000	602,031	3,027,031
2046-47	2,575,000	445,781	3,020,781
2047-48	5,845,000	182,656	6,027,656
TOTAL OUTSTANDING	$ 34,810,000	$ 36,629,853	$ 71,439,853

Schedule on Component Unit's Taxable
Revenue Bonds - Series B of 2017
For the Year Ended June 30, 2024

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 640,000	$ 296,788	$ 936,788
2025-26	690,000	243,588	933,588
2026-27	745,000	186,188	931,188
2027-28	805,000	124,188	929,188
2028-29	865,000	56,306	921,306
2029-30	250,000	10,313	260,313
TOTAL OUTSTANDING	$ 3,995,000	$ 917,371	$ 4,912,371

Executive Education Academy Charter School
Schedule on Component Unit's Tax Exempt
Revenue Bonds - Series of 2022
For the Year Ended June 30, 2024

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ -	$ 613,900	$ 613,900
2025-26	-	613,900	613,900
2026-27	-	613,900	613,900
2027-28	-	613,900	613,900
2028-29	-	613,900	613,900
2029-30	-	613,900	613,900
2030-31	-	613,900	613,900
2031-32	-	613,900	613,900
2032-33	-	613,900	613,900
2033-34	-	613,900	613,900
2034-35	-	613,900	613,900
2035-36	-	613,900	613,900
2036-37	-	613,900	613,900
2037-38	-	613,900	613,900
2038-39	-	613,900	613,900
2039-40	-	613,900	613,900
2040-41	-	613,900	613,900
2041-42	-	613,900	613,900
2042-43	-	613,900	613,900
2043-44	-	613,900	613,900
2044-45	-	613,900	613,900
2045-46	-	613,900	613,900
2046-47	-	613,900	613,900
2047-48	-	613,900	613,900
2048-49	1,420,000	613,900	2,033,900
2049-50	1,515,000	514,500	2,029,500
2050-51	1,625,000	408,450	2,033,450
2051-52	1,735,000	294,700	2,029,700
2052-53	2,475,000	173,250	2,648,250
TOTAL OUTSTANDING	$ 8,770,000	$ 16,738,400	$ 25,508,400

Executive Education Academy Charter School
Schedule on Component Unit's QNB Loan
Mortgage on 413-427 Union Boulevard
For the Year Ended June 30, 2024

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2024-25	$ 38,396	$ 37,625	$ 76,021
2025-26	39,983	36,039	76,022
2026-27	41,635	34,387	76,022
2027-28	43,265	32,757	76,022
2028-29	45,142	30,879	76,021
2029-30	47,008	29,014	76,022
2030-31	48,950	27,072	76,022
2031-32	50,903	25,118	76,021
2032-33	53,076	22,946	76,022
2033-34	55,269	20,753	76,022
2034-35	57,552	18,469	76,021
2035-36	59,886	16,135	76,021
2036-37	62,404	13,617	76,021
2037-38	64,983	11,039	76,022
2038-39	67,668	8,354	76,022
2039-40	70,449	5,572	76,021
2040-41	73,374	2,647	76,021
2041-42	25,127	213	25,340
TOTAL OUTSTANDING	$ 945,070	$ 372,636	$ 1,317,706

SINGLE AUDIT SECTION

Executive Education Academy Charter School
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN	PASS THROUGH GRANTOR NUMBER	GRANT PERIOD	AWARD AMOUNT	TOTAL RECEIVED	ACCRUED OR (DEFERRED) 7/1/2023	REVENUE	EXPEND.	ACCRUED OR (DEFERRED) 6/30/2024	FOOT NOTES
U.S. DEPT. OF EDUCATION											
PASSED THROUGH THE PA DEPARTMENT OF EDUCATION (PDE)											2
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-23-1134 A	7/1/22- 9/30/23	$ 816,995	$ 203,720	$ 203,720	$ -	$ -	$ -	
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-24-1134 A	7/1/23- 9/30/24	$ 810,322	498,647	-	810,322	810,322	311,675	
TOTAL TITLE I PROGRAM						702,367	203,720	810,322	810,322	311,675	
PASSED THROUGH THE PDE											2
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-23-1134 A	7/1/22- 9/30/23	$ 80,267	31,420	31,420	-	-	-	
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-24-1134 A	7/1/23- 9/30/24	$ 59,866	58,291	-	59,866	59,866	1,575	
TOTAL TITLE II PROGRAM						89,711	31,420	59,866	59,866	1,575	
PASSED THROUGH THE PDE											2
TITLE III - LANGUAGE INST LEP/IMMIGRANT STUDENTS	I	84.365	FA-010-23-1134 A	7/1/22- 9/30/23	$ 13,159	5,522	5,522	-	-	-	
TITLE III - LANGUAGE INST LEP/IMMIGRANT STUDENTS	I	84.365	FA-010-24-1134 A	7/1/23- 9/30/24	$ 13,305	10,235	-	13,305	13,305	3,070	
TOTAL TITLE III PROGRAM						15,757	5,522	13,305	13,305	3,070	
PASSED THROUGH THE PDE											2
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-23-1134 A	7/1/22- 9/30/23	$ 56,946	23,563	23,563	-	-	-	
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-24-1134 A	7/1/23- 9/30/24	$ 63,959	44,279	-	63,959	63,959	19,680	
TOTAL TITLE IV PROGRAM						67,842	23,563	63,959	63,959	19,680	
PASSED THROUGH THE PDE											2
COVID-19 ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUND (ESSER II)	I	84.425D	FA-200-21-1134	3/13/20 - 9/30/23	$ 2,708,197	818,757	728,562	90,196	90,196	-	
COVID-19 AMERICAN RESCUE PLAN - ESSER (ARP-ESSER)	I	84.425U	FA-223-21-1134	3/13/20 - 9/30/24	$ 5,477,899	896,384	(861,068)	1,757,452	1,757,452	-	
COVID-19 ARP-ESSER - LEARNING LOSS SET ASIDE	I	84.425U	FA-225-21-1134	3/13/20 - 9/30/24	$ 304,111	171,408	16,033	174,509	174,509	19,134	
COVID-19 ARP-ESSER - SUMMER SCHOOL SET ASIDE	I	84.425U	FA-225-21-1134	3/13/20 - 9/30/24	$ 60,822	34,281	(3,381)	47,615	47,615	9,953	
COVID-19 ARP-ESSER - AFTER SCHOOL SET ASIDE	I	84.425U	FA-225-21-1134	3/13/20 - 9/30/24	$ 60,822	34,282	(67)	44,301	44,301	9,952	
TOTAL EDUCATION STABILIZATION FUND						1,955,112	(119,921)	2,114,073	2,114,073	39,039	
PASSED THROUGH THE CARBON-LEHIGH I.U. #21											2
IDEA, PART B	I	84.027	N/A	7/1/22- 9/30/23	$ 122,528	-	-	-	-	-	1
IDEA, PART B	I	84.027	N/A	7/1/23- 9/30/24	$ 133,793	70,129	-	133,793	133,793	63,664	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	7/1/22- 9/30/23	$ 1,210	1,210	1,210	-	-	-	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	7/1/23- 9/30/24	$ 1,554	-	-	1,554	1,554	1,554	1
TOTAL IDEA CLUSTER						71,339	1,210	135,347	135,347	65,218	
TOTAL U.S. DEPARTMENT OF EDUCATION						2,902,128	145,514	3,196,872	3,196,872	440,257	
U. S. DEPARTMENT OF AGRICULTURE											
PASSED THROUGH THE PDE											2
NATIONAL SCHOOL LUNCH	I	10.555	N/A	7/1/22 - 6/30/23	N/A	28,552	28,552	-	-	-	
NATIONAL SCHOOL LUNCH	I	10.555	N/A	7/1/23 - 6/30/24	N/A	895,260	-	913,262	913,262	18,002	
AFTER SCHOOL SNACK	I	10.555	N/A	7/1/22 - 6/30/23	N/A	-	-	-	-	-	
AFTER SCHOOL SNACK	I	10.555	N/A	7/1/23 - 6/30/24	N/A	15,518	-	15,518	15,518	-	
COVID-19 NATIONAL SCHOOL LUNCH - SUPPLY CHAIN ASSISTANCE	I	10.555	N/A	N/A	N/A	36,374	-	36,374	36,374	-	
BREAKFAST PROGRAM	I	10.553	N/A	7/1/22 - 6/30/23	N/A	15,448	15,448	-	-	-	
BREAKFAST PROGRAM	I	10.553	N/A	7/1/23 - 6/30/24	N/A	570,884	-	583,120	583,120	12,236	
PASSED THROUGH THE PA DEPT. OF AGRICULTURE:											2
NATIONAL SCHOOL LUNCH - USDA COMMODITIES	I	10.555	N/A	7/1/23 - 6/30/24	N/A	109,010	(722)	108,355	108,355	(1,377)	3
TOTAL CHILD NUTRITION CLUSTER						1,671,046	43,278	1,656,629	1,656,629	28,861	
PASSED THROUGH THE PDE											2
COVID-19 STATE PANDEMIC ELECTRONIC BENEFIT TRANSFER (P-EBT) ADMIN. COSTS	I	10.649	N/A	N/A	N/A	5,763	-	5,763	5,763	-	
TOTAL U.S. DEPARTMENT OF AGRICULTURE						1,676,809	43,278	1,662,392	1,662,392	28,861	
TOTAL FEDERAL FINANCIAL AWARDS						$ 4,578,937	$ 188,792	$ 4,859,264	$ 4,859,264	$ 469,118	

SOURCE: D -DIRECT; I -INDIRECT

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Executive Education Academy Charter School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Executive Education Academy Charter School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Executive Education Academy Charter School.

Note 2 – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting for all federal awards charged to governmental funds and on the accrual basis of accounting for all federal awards charged to proprietary funds, as contemplated by accounting principles, generally accepted in the United States of America.

Note 3 – Organization and Scope

The School recognized 8.6% of its total general fund revenue in federal awards, and 96.1% of its total enterprise fund revenue.

Note 4 – Indirect Costs

The School did not charge any indirect costs to any of their federal grants and programs during this fiscal year. As such, the School did not use the 10% de minimis cost rate.

Note 5 – Program Disclosure – Footnotes

1. The federal awards passed through the Carbon-Lehigh Intermediate Unit #21 under the U.S. Department of Education heading, is part of a consortium of participating Schools. In accordance with directions from the Commonwealth of Pennsylvania, these awards are reported on the basic financial statements as local source revenue

2. The Federal Grants were passed through the following entities in the totals below:

Passed through	Total Awards	Total Expenditures
PA Department of Education	$ 10,526,670	$ 3,061,525
Carbon-Lehigh I.U. #21	259,085	135,347
PA Department of Agriculture	N/A	1,662,392
Totals	**$ 10,785,755**	**$ 4,859,264**

3. The Charter School received non-monetary assistance from the U.S. Department of Agriculture of $109,010 in the form of commodities. These commodities are valued at U.S.D.A.'s approximate costs. During the 2023-24 fiscal year, the Charter School used $108,355 in commodities and established year-end inventory of $1,377 at June 30, 2024.

FINANCIAL STATEMENT RECONCILIATION

General Fund Federal Source Revenues	$	3,061,525
Federal Grants in Local Sources		135,347
Food Service Fund Federal Revenue		1,662,392
Total Federal Revenue, per financial statements		4,859,264
Less - Medical Access		-
Federal Revenue on SEFA	**$**	**4,859,264**

GORMAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

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

Board of Trustees
Executive Education Academy Charter School
555 Union Boulevard
Allentown, PA 18109

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, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the general fund of the Executive Education Academy Charter School, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Executive Education Academy Charter School's basic financial statements, and have issued our report thereon dated November 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Executive Education Academy Charter 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 Executive Education Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Executive Education Academy Charter 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness 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.

1825 Franklin Street
Northampton, Pennsylvania 18067 - 1573
tele} 610/ 262/ 1280 fax} 610/ 262/ 1756
www.gaapc.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Executive Education Academy Charter 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Gorman & Associates, P.C.

Northampton, Pennsylvania
November 26, 2024

GORMAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

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

Board of Trustees
Executive Education Academy Charter School
555 Union Boulevard
Allentown, PA 18109

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Executive Education Academy Charter School's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Executive Education Academy Charter School's major federal programs for the year ended June 30, 2024. Executive Education Academy Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Executive Education Academy Charter 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 of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Northampton, Pennsylvania 18067 - 1573
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Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

Respectfully submitted,

Gorman & Associates, P.C.

Northampton, Pennsylvania
November 26, 2024

Section I - Summary of Auditor Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) Identified? ☐ yes ☒ no
- Significant Deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) Identified? ☐ yes ☒ no
- Significant Deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? ☐ yes ☒ no

Identification of major program:

AL Number(s)	Name of Federal Program or Cluster
84.010	Title I Program
10.553, 10.555	Child Nutrition Cluster

Percentage of program tested to total awards 50.8%

Dollar threshold used to distinguish between type A and type B program: $ 750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II – Financial Statement Findings

There were no findings discovered, relating to the financial statements, which are to be reported in accordance with generally accepted government auditing standards.

Section III – Findings and Questioned Costs for Federal Awards

There were no findings discovered, relating to the federal awards, which are required to be reported in accordance with the Uniform Guidance Section 200.516.

Audit Follow Up Procedures

We did not perform any follow-up procedures on prior year findings since there were none to report.