LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

JUNE 30, 2023 AND 2022

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES

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LEAD PUBLIC SCHOOLS

Roster of Board of Directors and Executive Staff as of June 30, 2023

Board of Directors

Mike Honious	Chair
Jonathan Dyke	Director
Bryan Fisher	Director
Valerie Hayes	Director
Rob Keller	Director
Earl Lattimore	Director
Annette Little	Director
Jerome Ogelsby	Director
Carter Paine	Director
Linda Pannock	Director
Jimmy Patton	Director
Alex Ryerson	Director
Dwayne Tucker	Director
Jim Vesterman	Director
Don Williamson	Director

Executive Staff

Dwayne Tucker	Chief Executive Officer
Ashley Montgomery	Chief Financial Officer
Tony Majors	Chief Operating Officer
Adrienne Useted	Chief Strategy Officer
Nic Frank	Chief Human Resources Officer
Mary Laurens Minich	Chief Academics Officer
LaVoe Mulgrew	Head of Schools – High Schools
Tait Danhausen	Head of Schools – Middle Schools
Ricki Gibbs	Head of Schools – Elementary Schools
Eloise Alexis	Vice President of Development

INDEPENDENT AUDITORS' REPORT

The Board of Directors
LEAD Public Schools, Inc. and Affiliates
Nashville, Tennessee

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of LEAD Public Schools, Inc. and Affiliates (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the LEAD Public Schools, Inc. and Affiliates as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of June 30, 2022, were audited by other auditors whose report dated March 30, 2023, expressed an unmodified opinion on those statements.

Basis for Opinion

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 Consolidated Financial Statements section of our report. We are required to be independent of LEAD Public Schools, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 consolidated 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 consolidated 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 consolidated 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 LEAD Public Schools, Inc. and Affiliates'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LEAD Public Schools, Inc. and Affiliates'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and by the State of Tennessee, is presented for purposes of additional analysis and it is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Roster of Board of Directors and Executive Staff as of June 30, 2023 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, on our consideration of the Organization'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 Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
February 12, 2024

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	2023	2022
Current assets:		
Cash and cash equivalents	$ 21,594,309	$ 11,085,693
Accounts receivable	5,005,336	11,516,319
Prepaid expenses and other	412,523	498,074
Total current assets	27,012,168	23,100,086
Right-of-use asset - operating lease	3,559,486	4,099,576
Property and equipment, net	8,444,307	7,535,108
Total assets	$ 39,015,961	$ 34,734,770
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 1,350,515	$ 1,341,312
Accrued expenses	2,314,168	1,888,714
Operating lease liabilities, current portion	653,062	635,322
Total current liabilities	4,317,745	3,865,348
Operating lease liabilities, noncurrent portion	3,290,127	3,718,878
Total liabilities	7,607,872	7,584,226
Net assets:		
Without donor restriction	31,148,089	27,150,544
With donor restriction	260,000	-
Total net assets	31,408,089	27,150,544
Total liabilities and net assets	$ 39,015,961	$ 34,734,770

See accompanying notes to consolidated financial statements.

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
District funding	$ 36,490,342	$ -	$ 36,490,342
Federal grants	10,183,638	-	10,183,638
Contributions and other	1,608,383	260,000	1,868,383
Interest income	311,563	-	311,563
Total public support and revenue	48,593,926	260,000	48,853,926
Expenses:			
Student instruction and services	40,553,445	-	40,553,445
Administration	3,684,630	-	3,684,630
Fundraising	358,306	-	358,306
Total expenses	44,596,381	-	44,596,381
Change in net assets	3,997,545	260,000	4,257,545
Net assets, beginning of year	27,150,544	-	27,150,544
Net assets, end of year	$ 31,148,089	$ 260,000	$ 31,408,089

See accompanying notes to consolidated financial statements.

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
District funding	$ 38,968,491	$ -	$ 38,968,491
Federal grants	12,180,680	-	12,180,680
Contributions and other	766,762	373,500	1,140,262
Interest income	35,401	-	35,401
Net assets released from restrictions	418,500	(418,500)	-
Total public support and revenue	52,369,834	(45,000)	52,324,834
Expenses:			
Student instruction and services	37,758,851	-	37,758,851
Administration	2,853,890	-	2,853,890
Fundraising	370,637	-	370,637
Total expenses	40,983,378	-	40,983,378
Change in net assets	11,386,456	(45,000)	11,341,456
Net assets, beginning of year	15,764,088	45,000	15,809,088
Net assets, end of year	$ 27,150,544	$ -	$ 27,150,544

See accompanying notes to consolidated financial statements.

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Student Instruction and Services	Supporting Services: Administration	Supporting Services: Fundraising	Total Expenses
Salaries, wages, and benefits	$ 27,002,054	$ 1,931,395	$ 265,295	$ 29,198,744
Occupancy	3,343,824	102,131	-	3,445,955
Professional and service fees	1,775,005	779,560	-	2,554,565
Transportation	2,951,213	-	-	2,951,213
Depreciation	1,441,350	64,299	-	1,505,649
Instructional	1,705,234	115,611	-	1,820,845
Office supplies and equipment	690,154	24,189	-	714,343
Organizational development	863,884	266,477	-	1,130,361
Authorizer fees	-	325,982	-	325,982
Athletic cost	473,765	-	-	473,765
Outreach	103,957	-	-	103,957
Miscellaneous	203,005	74,986	-	277,991
Loss on disposal of assets	-	-	-	-
Staff development	-	-	93,011	93,011
Total expenses	$ 40,553,445	$ 3,684,630	$ 358,306	$ 44,596,381

See accompanying notes to consolidated financial statements.

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Student Instruction and Services	Supporting Services: Administration	Supporting Services: Fundraising	Total Expenses
Salaries, wages, and benefits	$ 24,721,647	$ 1,333,937	$ 314,096	$ 26,369,680
Occupancy	3,627,880	109,244	2,317	3,739,441
Professional and service fees	1,994,659	591,561	-	2,586,220
Transportation	2,942,908	42,256	-	2,985,164
Depreciation	1,369,981	10,592	-	1,380,573
Instructional	1,011,321	56,491	7,995	1,075,807
Office supplies and equipment	833,252	36,478	-	869,730
Organizational development	278,942	190,921	-	469,863
Authorizer fees	-	323,401	-	323,401
Interest cost	258,749	-	-	258,749
Athletic cost	297,280	-	-	297,280
Outreach	102,638	-	-	102,638
Miscellaneous	225,752	159,009	-	384,761
Loss on disposal of assets	93,842	-	-	93,842
Staff development	-	-	46,229	46,229
Total expenses	$ 37,758,851	$ 2,853,890	$ 370,637	$ 40,983,378

See accompanying notes to consolidated financial statements.

LEAD PUBLIC SCHOOLS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 4,257,545	$ 11,341,456
Adjustments to reconcile change in		
net assets to net cash flows from operating activities		
Depreciation	1,505,649	1,380,573
Loss on disposal of assets	-	93,842
Noncash lease expense	129,079	254,624
Changes in operating assets and liabilities:		
Accounts receivable	6,510,983	(8,135,331)
Prepaid expenses and other	85,551	(417,263)
Accounts payable	9,203	276,224
Accrued expenses	425,454	567,597
Net cash flows provided by operating activities	12,923,464	5,361,722
Cash flows from investing activities:		
Purchase of property and equipment	(2,414,848)	(877,001)
Net cash flows used in investing activities	(2,414,848)	(877,001)
Cash flows from financing activities:		
Payments on note payable	-	(5,837,961)
Net cash flows used in financing activities	-	(5,837,961)
Net change in cash and cash equivalents	10,508,616	(1,353,240)
Cash and cash equivalents, beginning of year	11,085,693	12,438,933
Cash and cash equivalents, end of year	$ 21,594,309	$ 11,085,693
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ -	$ 258,749
Cash paid for amounts included in the measurement of operating lease liabilities	$ 635,322	$ -

See accompanying notes to consolidated financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

LEAD Public Schools, Inc. ("LPS") was incorporated during 2010 as a charter management organization that starts and operates public charter schools in Middle Tennessee. Public charter schools in Tennessee are public schools operated under a charter contract with a local district, statewide district, or the state board of education, and governed under a nonprofit Board of Directors separate from the district. Currently, LPS operates five charter schools as single member limited liability corporations consisting of LEAD Academy, Nonprofit, LLC (the "Academy"); Cameron College Prep, Nonprofit, LLC ("Cameron"); Brick Church College Prep, Nonprofit, LLC ("Brick Church"); LEAD Prep Southeast, Nonprofit, LLC ("Southeast"); and Neely's Bend College Prep, Nonprofit, LLC ("Neely's Bend"). In addition, LPS operates a real estate holding company, LEAD Real Estate Holdings, Nonprofit, LLC ("LEAD Real Estate").

The Academy, Cameron, Brick Church, Southeast, and Neely's Bend were organized in accordance with Section 6(1)(a) of the Tennessee Public Charter School Act of 2002 (the "Act"). Pursuant to the Act, public charter schools are part of the state's public education program offering an alternative means within the public school system for accomplishing necessary outcomes of education. The Academy entered into a Charter School Agreement with the Metropolitan Nashville Board of Education on July 23, 2006 to operate a charter school in Nashville, Tennessee. The Academy began classes in July 2007 with fifth and sixth grade classes and has since transitioned to serving ninth through twelfth grades. Cameron entered into a Charter School Agreement with the Metropolitan Nashville Board of Education on October 1, 2010, to operate a charter school in Nashville, Tennessee. Cameron began classes in August 2011 with fifth grade and has since added a grade each year through the eighth grade. Brick Church entered into a Charter School Agreement with the Tennessee Achievement School District ("ASD") on June 1, 2012 to operate a charter school in Nashville, Tennessee. Brick Church began classes in August 2012 with fifth grade and has since added a grade each year through the eighth grade. Southeast entered into a Charter School Agreement with the Metropolitan Nashville Board of Education on October 25, 2011, to operate a charter school in Nashville, Tennessee. Southeast began classes in August 2013 and currently enrolls students from fifth grade through the twelfth grade. Neely's Bend entered into a Charter School Agreement with the Tennessee Achievement School District on May 21, 2015, to operate a charter school in Madison, Tennessee. Neely's Bend began classes in August 2015 with fifth grade and has since added a grade each year through the eighth grade.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In accordance with the charter agreements of the Academy, Cameron, and Southeast enrollment is open to any student within the Metropolitan Nashville Public Schools ("MNPS") System who resides in Davidson County. Brick Church and Neely's Bend enrollment is restricted to students who would have been zoned to Brick Church Middle School, Neely's Bend Middle School, respectively, or other ASD Priority School. If space exists after planned enrollment of zoned students, other eligible students may enroll or be included in an enrollment lottery pursuant to T.C.A. Section 49-13-106. The Academy currently enrolls students in grades nine through twelve. The Academy's charter provides for a total enrollment of 458. Cameron currently enrolls students in grades five through eight. Cameron's charter provides for a total enrollment of 627. Brick Church currently enrolls students in grades five through eight. Brick Church's charter provides for a total enrollment of 275. Southeast currently enrolls students in grades five through twelve. Southeast's charter provides for a total enrollment of 805. Neely's Bend currently enrolls students in grades five through eight. Neely's Bend's charter provides for a total enrollment of 465.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements present the financial position and results of operations of LPS, the Academy, Cameron, Brick Church, Southeast, Neely's Bend, and LEAD Real Estate (collectively, the "Organization").

The Organization presents its consolidated financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") guidance for not-for-profit organizations. Under this guidance, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets that are not subject to donor-imposed stipulations. All contributions are considered available for general use unless specifically restricted by the donor.

Net Assets With Donor Restriction – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restriction. Additionally, some net assets are subject to a donor-imposed stipulation that they be held in perpetuity by the Organization. There were no net assets that were required to be held in perpetuity at June 30, 2023.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses and allocation of functional expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with original maturities when purchased of less than three months to be cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

Accounts Receivable

Accounts receivable represent amounts due from grants or other sources which have been approved but not received. Management considers all accounts collectible and, therefore, an allowance for doubtful accounts has not been recognized in the consolidated financial statements.

Property and Equipment

Property and equipment are recorded at acquisition cost less accumulated depreciation, if purchased, or the fair value on the date received, if donated. The cost of routine maintenance and repairs is expensed as incurred. Expenditures which materially extend the economic lives, change capacities, or improve the efficiency of the related assets are capitalized. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is included in the consolidated statement of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years, or over the term of the lease for leasehold improvements, if less.

Donated Materials, Services, and Assets

Donated materials and services, if any, are reflected as contributions in the accompanying consolidated financial statements at their estimated values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation and are recorded at their fair values in the period received.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Contributions

Contributions and unconditional promises to give are recognized as revenue when made or a written promise to give is conveyed, whichever is earliest. Contributions of assets other than cash are recorded at estimated fair value at the date of donation. Contributions received with donor stipulations that restrict the use of the assets and promises to give that have time or purpose restrictions are reported as revenue with donor restrictions. When the use or time restriction is met, the amount is reported as revenue without donor restrictions and a reduction in revenue with donor restrictions. The Organization recognizes contributions when cash, securities, or other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. At June 30, 2023, the Organization did not have any conditional promises to give.

Grants

The Organization receives federal financial assistance through state agencies. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consist primarily of salaries and wages which are allocated based on time and effort.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and, accordingly, no provision for income taxes is included in the consolidated financial statements.

The Organization follows FASB ASC guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying consolidated financial statements.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Organization maintains a line of credit with maximum borrowings of $1,000,000 (see Note E) with a financial institution that is drawn upon during the year to manage cash flow, if needed. Financial assets available for general expenditure, that is, without donor restriction or other restrictions limiting their use within one year of the statement of financial position, comprise the following at June 30, 2023:

	2023	2022
Financial assets:		
Cash and cash equivalents	$21,594,309	$11,085,693
Accounts receivable	5,005,336	11,516,319
	26,599,645	22,602,012
Less amounts not available to be used for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	$26,599,645	$22,602,012

C. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2023:

	2023	2022
Land	$ 542,960	$ 542,960
Buildings and improvements	9,286,330	8,688,103
Computer equipment	3,887,141	2,794,355
Furniture and fixtures	301,392	299,319
Office equipment	143,176	119,281
Leasehold improvements	2,305,716	1,607,868
	16,466,715	14,051,886
Less accumulated depreciation	(8,022,408)	(6,516,778)
	$ 8,444,307	$ 7,535,108

Depreciation expense totaled $1,505,649 and $1,380,573 for the years ended June 30, 2023 and 2022, respectively.

D. LEASES

The Organization leases building space for school related activities. The Organization determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Organization has elected to account for lease and non-lease components as a single component.

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term if it is reasonably certain these options would be exercised by the Organization. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of the Organization's lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, the Organization uses the implicit rate when it is readily determinable. As most of the Organization's leases do not provide an implicit rate, management uses the Organization's incremental borrowing rate based on the information available at lease commencement to determine the present value of lease payments.

D. LEASES - Continued

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Organization does not have leases where it is involved with the construction or design of an underlying asset. The Organization has no material obligation for leases signed but not yet commenced as of June 30, 2023. The Organization does not have any sublease activities.

The Organization has elected the practical expedient not to recognize leases with terms of 12 months or less on the statement of financial position and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, the Organization's short-term lease expense for the period does not reflect our ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the year ended June 30, 2023.

As of June 30, 2023, future minimum operating lease payments required are as follows:

Year Ending June 30,	
2024	$ 653,062
2025	671,308
2026	550,013
2027	566,514
2028	583,509
Thereafter	1,851,460
Total lease payments	4,875,866
Less present value discount	(932,677)
Present value of lease liabilities	$ 3,943,189

Required supplemental information relating to our leases for the year ended June 30, 2023 is as follows:

Operating:	
Operating leases, included in operating expenses	$682,427
Short-term leases, included in operating expenses	-
Net operating lease cost	$682,427
Lease Term (in years) and Discount Rate:	
Weighted average remaining lease term - operating leases	7.61
Weighted average discount rate - operating	5.50%

E. LINE-OF-CREDIT

The Organization's line of credit has a $1,000,000 maximum availability and requires interest-only payments in monthly installments at the bank's prime rate plus half a point, with minimum rate of 4.5% until maturity in May 2025 at which time all outstanding principal and interest will be due. There was no balance outstanding on the line of credit as of June 30, 2023 or 2022.

F. FEDERAL GRANTS

The Organization receives federal pass-through funding from various grantor agencies to help meet objectives and accomplish its mission as a charter school. Total federal awards received during the years ended June 30, 2023 and 2022 totaled $10,183,638 and $12,180,680, respectively.

G. CONCENTRATIONS

For the years ended June 30, 2023 and 2022, the Organization received $36,490,342 (75%) and $38,968,491 (74%), respectively, of its funding for operations from MNPS and ASD based on the state of Tennessee's Basic Education Program ("BEP"). BEP funding is designated to schools based on student enrollment.

H. RETIREMENT PLAN

Plan Description

The Tennessee Consolidated Retirement System ("TCRS") was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and- Governance/Reporting-and-Investment-Policies. Teachers employed by the Organization with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing, multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies ("LEA") after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

H. RETIREMENT PLAN - Continued

Teacher Legacy Pension Plan of TCRS

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive-year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments ("COLA") after retirement.

A COLA is granted each July for annuitants retired prior to July 2 of the previous year. The COLA is based on the change in the consumer price index ("CPI") during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than ½%. A 1% COLA is granted if the CPI change is between ½% and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5% of salary. LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Organization for the year ended June 30, 2023 and 2022, to the Teacher Legacy Pension Plan were $163,617 and $222,215, respectively, which is 8.69% and 10.30% of covered payroll, respectively. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

H. RETIREMENT PLAN - Continued

Teachers Retirement Plan of TCRS

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive-year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service-related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic COLAs after retirement. A COLA is granted each July for annuitants retired prior to July 2 of the previous year. The COLA is based on the change in the CPI during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than ½%. A 1% COLA is granted if the CPI change is between ½% and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5% of salary. LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer-contribution rate cannot be less than 4%, except for in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted.

H. RETIREMENT PLAN - Continued

Employer contributions by the Organization for the years ended June 30, 2023 and 2022, to the Teacher Retirement Plan were $366,196 and $173,991, respectively, which is 4.00% of covered payroll for both years. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the
year, the cost of administration, as well as an amortized portion of any unfunded liability.

Members of the Teacher Retirement Plan are also included in a 401(k) component whereby employer contributions are made at 5% of covered payroll. Employer contributions by the Organization for the years ended June 30, 2023 and 2022, were $528,099 and $465,231, respectively.

Other Plan

The Organization's noncertified employees are covered under a 403(b) plan. Under terms of the plan, employee contributions are matched 200% up to a maximum match of 6% of eligible compensation by the Organization.

Employer contributions for all retirement plans totaled $1,204,850 and $1,007,316 for the years ended June 30, 2023 and 2022, respectively.

I. SUBSEQUENT EVENTS

The Organization evaluated subsequent events through February 12, 2024, the date these consolidated financial statements were available to be issued, and determined there were no events requiring disclosure.

SUPPLEMENTARY INFORMATION

LEAD PUBLIC SCHOOL, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Program Name/Grantor	Assistance Listing Number	Pass-through Entity Identifying Number	Total Expenditures
Federal Awards			
U.S. DEPARTMENT OF EDUCATION:			
Passed through Tennessee Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010A*	N/A	$ 856,906
Title I Grants to Local Educational Agencies	84.010A*	N/A	35,980
Total Title I Part A Cluster			892,886
Special Education Cluster (IDEA)			
Special Education - Grants to States ARP	84.027	N/A	60,400
Special Education - Grants to States	84.027	N/A	190,685
Turnaround Action Grant	84.027	N/A	284,078
Best for All	84.027	N/A	15,625
Total Special Education Cluster (IDEA)			550,788
Charter School Facilities Fund			
Charter School Facilities Fund 21 Competitive	84.282D	N/A	48,016
Charter School Facilities Fund	84.282D	N/A	371,684
Total Charter School Facilities Fund			419,700
Title IIA			
Title II Grants to Local Educational Agencies	84.367A	N/A	49,933
Bridge Summer Program	84.367A	N/A	54,283
Learning Camp Transportation	84.367A	N/A	10,591
Total Title II Part A			114,807
Teacher and School Leader Incentive Program			
Teacher and School Leader Incentive Grant	84.374A*	N/A	1,353,845
Education Stabilization Fund (ESF)			
ASD Turnaround	84.425U *	N/A	600,000
Emergency Relief (ESSER) Fund	84.425D *	N/A	1,099,030
Total Education Stabilization Fund (ESF)			1,699,030
Total U.S. Department of Education			5,031,056
Total Federal Awards			$ 5,031,056
State Financial Assistance			
TENNESSEE DEPARTMENT OF EDUCATION:			
Basic Education Program - Capital Outlay	N/A	N/A	430,025
Basic Education Program	N/A	N/A	36,060,317
Total State Awards			36,490,342
Total Federal and State Awards			$ 41,521,398

* Major Program in accordance with the Uniform Guidance.

See independent auditor's report.

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state award activity of LEAD Public Schools, Inc. and Affiliates under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of LEAD Public Schools, Inc. and Affiliates, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of LEAD Public Schools, Inc. and Affiliates.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principle in OMB Circular A-122, Cost Principles for Non-Profit Organization, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

There were no amounts passed through to subrecipients for the current fiscal year ended June 30, 2023.

C. INDIRECT COST ALLOCATION

LEAD Public Schools, Inc. and Affiliates has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CROSSLIN
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*

To the Board of Directors
LEAD Public Schools, Inc. and Affiliates
Nashville, Tennessee

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 consolidated financial statements of LEAD Public Schools, Inc. and Affiliates (a nonprofit organization), as of and for the year ended June 30, 2023, and the related notes to the consolidated financial statements, which collectively comprise LEAD Public Schools, Inc. and Affiliates' consolidated financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

To the Board of Directors
LEAD Public Schools, Inc. and Affiliates

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LEAD Public Schools, Inc. and Affiliates' consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Crosslin, PLLC

Nashville, Tennessee
February 12, 2024

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
LEAD Public Schools, Inc. and Affiliates
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited LEAD Public Schools, Inc. and Affiliates' 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 LEAD Public Schools, Inc. and Affiliates' major federal programs for the year ended June 30, 2023. LEAD Public Schools, Inc. and Affiliates' 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, LEAD Public Schools, Inc. and Affiliates 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, 2023.

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 LEAD Public Schools, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 LEAD Public Schools, Inc. and Affiliates' compliance with the compliance requirements referred to above.

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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 LEAD Public Schools, Inc. and Affiliates' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LEAD Public Schools, Inc. and Affiliates' 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 LEAD Public Schools, Inc. and Affiliates' 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 LEAD Public Schools, Inc. and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of LEAD Public Schools, Inc. and Affiliates' 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 LEAD Public Schools, Inc. and Affiliates' 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.

Repot 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 were not 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.

Crosslin, PLLC

Nashville, Tennessee
February 12, 2024

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the consolidated financial statements were prepared in accordance with U.S. GAAP	Unmodified
Internal control over consolidated financial reporting:	
Material weakness(es) identified?	___yes _X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___yes _X_ none reported
Noncompliance material to consolidated financial statements noted?	___yes _X_ no

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	___yes _X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___yes _X_ none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___yes _X_ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.374A	Teacher and School Leader Incentive Grants
84.425D & 84.425U	Education Stabilization Fund (ESF)
84.010A	Title I, Part A

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
LEAD Public Schools, Inc. and Affiliates was determined to be low-risk auditee?	_X_ yes ___ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.

SECTION III - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None reported.