

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023

Draft for Discussion Purposes Only; Subject to Change

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FINANCIAL SECTION

Draft for Discussion Purposes Only; Subject to Change

INDEPENDENT AUDITORS' REPORT

Board of Directors
CLV Strong Start Academy Elementary Schools Inc
Las Vegas, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of CLV Strong Start Academy Elementary Schools Inc (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2023, and the respective changes in financial position 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 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 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 and the required supplementary information schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 School's basic financial statements. The Financial Framework Information Worksheet is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the Financial Framework Information Worksheet is 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 REPORT DATE, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Las Vegas, Nevada
REPORT DATE

REQUIRED SUPPLEMENTARY INFORMATION

Draft for Discussion Purposes Only; Subject to Change

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

This CLV Strong Start Academy Elementary Schools Inc's (the School) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the School's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The School's net position at June 30, 2023 was a positive position of \$1,738,121.
- Total General Fund revenues were \$2,670,347 as compared to \$2,009,677 of expenditures.
- At June 30, 2023, the School's General Fund reported a positive fund balance of \$1,393,554.
- Capital assets have been reported at \$40,000 with accumulated depreciation of \$2,667 for a net capital asset value of \$37,333.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *School-wide financial statements* that provide both *short-term* and *long-term* information about the School's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School, reporting the School's operations in *more detail* than the School-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

School-Wide Statements

The School-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 School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 School-wide statements report the School's *net position* and how they have changed. Net position – the difference between the School's assets, deferred outflows, liabilities, and deferred inflows – are one way to measure the School's financial health or *position*.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional nonfinancial factors such as changes in the School's creditworthiness and the condition of school buildings and other facilities.

In the School-wide financial statements the School's activities are shown in one category:

- *Governmental Activities* – Most of the School's basic services are included here, such as regular and special education, transportation, administration, and food services. State aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's *funds* – focusing on its most significant or "major" funds – not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The School may establish other funds to control and manage money for a blended component unit.

The School has one kind of fund:

- *Governmental Funds* – Most of the School's basic services are included in governmental funds, which generally 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 funds statements provide a detailed *short-term* view that helps to 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 School-wide statements, we provide a reconciliation of the governmental funds statements to the School-wide statements.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's *combined* net position was a positive position of \$1,738,121 and \$834,486 on June 30, 2023 and 2022, respectively (see Table A-1).

Table A-1
The School's Net Position

	Governmental Activities as of June 30,		Percentage Change
	2023	2022	
Current and Other Assets	\$ 1,550,543	\$ 850,374	82.34 %
Capital Assets	37,333	40,000	(6.67)
Total Assets	1,587,876	890,374	78.34
Deferred Outflows of Resources	300,739	-	N/A
Current Liabilities	150,494	55,888	169.28
Total Liabilities	150,494	55,888	169.28
Net Position:			
Investment in Capital Assets	37,333	40,000	(6.67)
Unrestricted	1,700,788	794,486	114.07
Total Net Position	\$ 1,738,121	\$ 834,486	108.29

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

Changes in Net Position

The School's total revenues were \$3,107,426 and \$1,109,050 for the periods ended June 30, 2023 and 2022, respectively. State formula aid accounted for 19% of total revenue for the year (Figure A-1). The remaining 81% from unrestricted local aid and other program and general revenues.

Table A-2
Change in Net Position

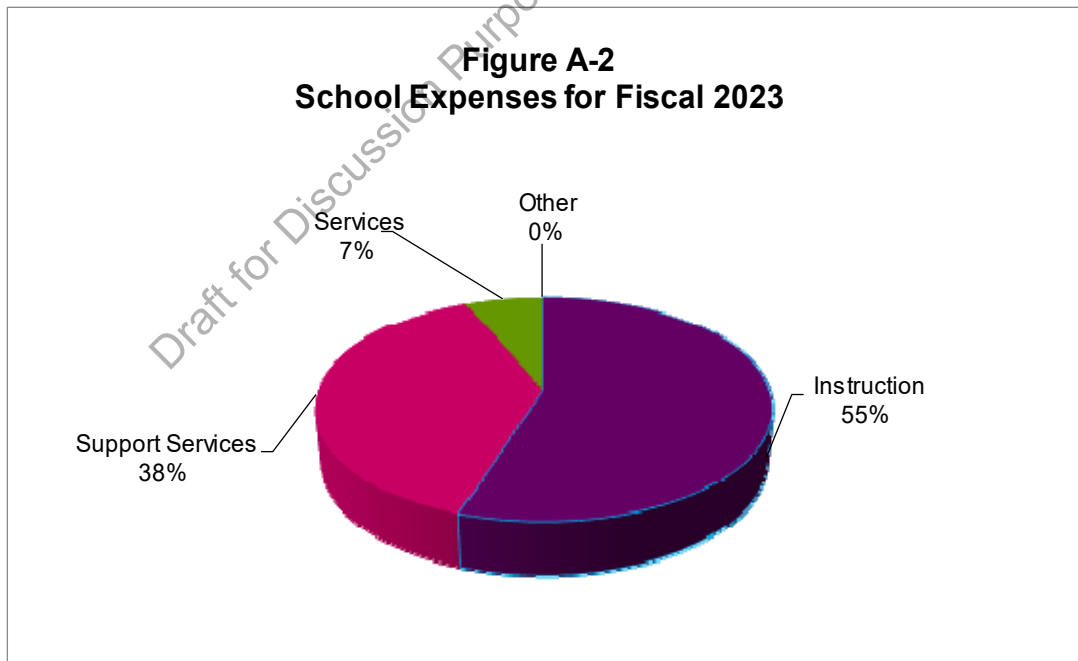
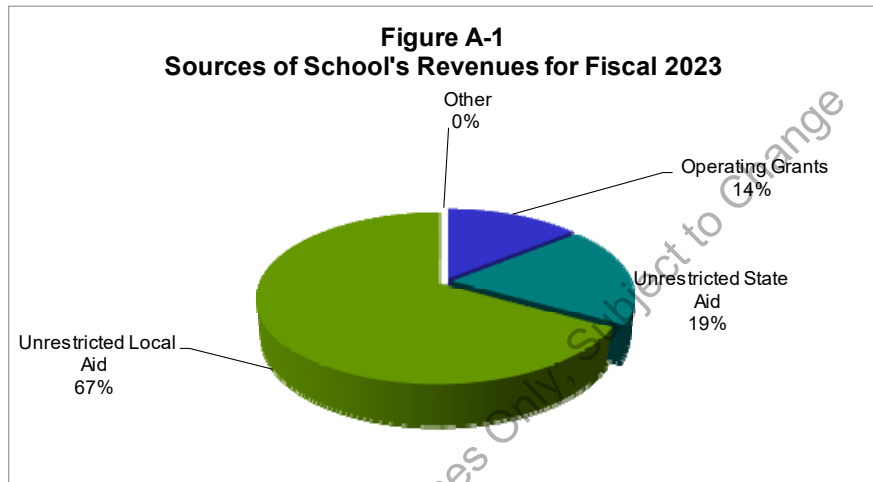
	Governmental Activities for the Period Ended June 30,		Percentage Change
	2023	2022	
Revenues			
Program Revenues			
Operating Grants and Contributions	\$ 437,079	\$ 146,311	198.73 %
General Revenues			
Unrestricted State Aid	580,786	-	N/A
Unrestricted Local Aid	2,088,915	-	N/A
Other	646	962,739	180.19
Total Revenues	3,107,426	1,109,050	
Expenses			
Instruction	1,214,089	30,209	3918.96
Support Services	845,412	243,677	246.94
Operation of Noninstructional Services	144,290	678	21181.71
Total Expenses	2,203,791	274,564	702.65
Change in Net Position	903,635	834,486	
Beginning Net Position	834,486	-	
Ending Net Position	<u>\$ 1,738,121</u>	<u>\$ 834,486</u>	

The total cost of all programs and services was \$2,203,791 and \$274,564 for the years ended June 30, 2023 and 2022, respectively. Total revenues exceeded expenses, increasing net position by \$903,635 and \$834,486 for the years ended June 30, 2023 and 2022, respectively.

**CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The cost of all *governmental* activities this year was \$2,203,791.

- No costs were paid by the users of the School's programs in the current year.
- The federal and state governments and private grant funds subsidized certain programs with grants and contributions (\$437,039).
- Most of the School's remaining costs; however, were paid for by unrestricted local and state aid, federal revenue, and other general revenues.



CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

All governmental activities include not only funds received for the general operation of the School, which are used for classroom instruction, but also include resources from the entrepreneurial-type Food Service Fund. Funding for the general operation of the School is controlled by the state and the School does not have the latitude to allocate money received in Food Service to enhance classroom instruction resources. The School cannot take funds from this restricted area and use the funds to hire teachers to enhance instruction.

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2023	2022		2023	2022	
Instruction	\$ 1,214,089	\$ 30,209	3918.96 %	\$ 859,623	\$ 30,209	2745.59 %
Support Services	845,412	243,677	246.94	845,412	243,677	246.94
Operation of Noninstructional Services	144,290	678	21181.71	61,677	678	8996.90
Total	<u>\$ 2,203,791</u>	<u>\$ 274,564</u>	702.65	<u>\$ 1,766,712</u>	<u>\$ 274,564</u>	543.46

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The financial performance of the School as a whole is reflected in its governmental funds as well. As the School completed the year, its governmental funds reported a *combined* fund balance of \$1,400,049.

Revenues for the School's governmental funds were \$3,107,426 while total expenditures were \$2,501,863.

GENERAL FUND

The General Fund includes the primary operations of the School in providing educational services to students in kindergarten through grade 2 (for the 2022-2023 School year) including capital outlay projects and facility maintenance and leases.

Approximately 22% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This revenue source includes general education aid, special education aid, federal aid and other state appropriations and grants.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 22% of General Fund revenue being determined by enrollment. Enrollment was approximately 80 during the 2022-2023 School year, the School's first year serving students.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

GENERAL FUND HIGHLIGHTS

The following schedule presents a summary of General Fund Revenues.

Table A-4
General Fund Revenues

	Period Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent Change
Local Sources:				
Grants and Contributions	\$ 2,088,915	\$ -	\$ 2,088,915	N/A
Other	646	962,739	(962,093)	(99.93)%
State Sources	580,786	146,311	434,475	296.95
Total General Fund Revenues	<u>\$ 2,670,347</u>	<u>\$ 1,109,050</u>	<u>\$ 1,561,297</u>	140.78

Total General Fund Revenue was \$2,670,561 for the period. Basic general education revenue is determined by state formulas that are enrollment driven and consists of a specified minimum amount with variables such as socioeconomic indicators driving additional funding. For Nevada charter schools the majority of all funding is made up of general education aid, and special education aid. Other revenue consists of federal and private grant funding that is often expenditure driven.

The following schedule presents a summary of General Fund Expenditures.

Table A-5
General Fund Expenditures

	Period Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent Change
Salaries	\$ 1,088,032	\$ -	\$ 1,088,032	N/A
Employee Benefits	444,254	-	444,254	N/A
Professional and Tech Services	160,332	111,925	48,407	43.25 %
Property Services	99,153	6,000	93,153	1552.55
Other Services	31,998	4,414	27,584	624.92
Supplies	185,908	152,225	33,683	22.13
Capital Outlay	-	40,000	(40,000)	(100.00)
Total General Fund Expenditures	<u>\$ 2,009,677</u>	<u>\$ 314,564</u>	<u>\$ 1,695,113</u>	538.88

Total General Fund Expenditures were \$2,009,677 for the period.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Following approval of the budget prior to the beginning of the fiscal year, the School revises the annual operating budget in mid-year. These budget amendments typically fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over from the prior fiscal year.
- Legislation passes subsequent to budget adoption, changes necessitated by actual enrollment, changes in employment agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were \$312,255 (13.24%) more than expected. The actual expenditures were \$397,239 under budget for a 16.5% variance.

OTHER MAJOR FUNDS

The Federal Revenue Fund's actual revenues were \$242,871 (40.7%) less than expected. The actual expenditures were \$249,367 under budget for a 41.7% variance.

CAPITAL ASSETS

As of June 30, 2023, the School had invested \$40,000 in site improvements (see Table A-6). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total accumulated depreciation of \$2,667 resulted in a combined net capital asset value of \$37,333.

Table A-6
The School's Capital Assets

	2023	2022	Percentage Change
Site Improvements	\$ 40,000	\$ 40,000	-
Less: Accumulated Depreciation	(2,667)	-	N/A
Total School Capital Assets	<u>\$ 37,333</u>	<u>\$ 40,000</u>	(6.67)

**CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

LONG-TERM LIABILITIES

The School borrowed \$-0- during the year ended June 30, 2023. As of June 30, 2023 and 2022, the School had \$-0- in long-term debt outstanding.

FACTORS BEARING ON THE SCHOOL'S FUTURE

The School is dependent on the state of Nevada for its revenue authority. The current year was the School's second year serving students and future results are dependent upon meeting enrollment targets each year.

The School will strive to provide academic excellence, high quality instruction, intentional character development, and educational opportunity for students. It is anticipated that enrollment will continue to grow as the School adds an additional grade level annually until 2027 the School will have grades K-5. While state funding formulas may not be sufficient to meet instructional programming needs, the increase in planned enrollment is expected to provide the resources to balance future budgets and build a sufficient fund balance.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our constituents, state oversight agencies, lenders, customers, legislative leaders, 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 need additional financial information, contact Miriam Benitez, Principal, CLV Strong Start Academy Elementary School, Inc., 310 S 9th Street, Las Vegas, Nevada 89101.

BASIC FINANCIAL STATEMENTS

Draft for Discussion Purposes Only; Subject to Change

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,404,765
Receivables:	
Other Governments	75,845
Other	17,553
Prepaid Items	52,380
Capital Assets, Net of Depreciation	37,333
Total Assets	<u>1,587,876</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pensions	300,739
LIABILITIES	
Salaries and Benefits Payable	114,919
Accounts and Contracts Payable	35,575
Total Liabilities	<u>150,494</u>
NET POSITION	
Net Investment in Capital Assets	37,333
Unrestricted	1,700,788
Total Net Position	<u><u>\$ 1,738,121</u></u>

See accompanying Notes to Basic Financial Statements.

	\$	2,209,781	\$	1,637,700	\$	1,637,700
GENERAL REVENUES						
		State Aid Not Restricted to Specific Purposes				
		Local Aid Not Restricted to Specific Purposes				
		Miscellaneous				
		Total General Revenues				
CHANGE IN NET POSITION						
		Net Position - Beginning				
NET POSITION - ENDING						

	\$	2,209,781	\$	1,637,700	\$	1,637,700
GENERAL REVENUES						
		State Aid Not Restricted to Specific Purposes				
		Local Aid Not Restricted to Specific Purposes				
		Miscellaneous				
		Total General Revenues				
CHANGE IN NET POSITION						
		Net Position - Beginning				
NET POSITION - ENDING						

See accompanying Notes to Basic Financial Statements.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	Major Funds			Total Governmental Funds
	General	Federal Revenue	Nonmajor Funds	
ASSETS				
Cash and Investments	\$ 1,404,765	\$ -	\$ -	\$ 1,404,765
Receivables:				
Due from Nevada Department of Education	1,647	-	-	1,647
Due from Federal through Nevada Department of Education	-	74,387	1,458	75,845
Due from Other Funds	91,751	-	-	91,751
Other Receivables	-	15,906	-	15,906
Prepays	45,885	6,495	-	52,380
Total Assets	<u>\$ 1,544,048</u>	<u>\$ 96,788</u>	<u>\$ 1,458</u>	<u>\$ 1,642,294</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Salaries Payable	\$ 52,065	\$ -	\$ -	\$ 52,065
Payroll Deductions and Employer Contributions Payable	62,854	-	-	62,854
Accounts and Contracts Payable	35,575	-	-	35,575
Due to Other Funds	-	90,293	1,458	91,751
Total Liabilities	<u>150,494</u>	<u>90,293</u>	<u>1,458</u>	<u>242,245</u>
FUND BALANCE				
Nonspendable:				
Prepays	45,885	6,495	-	52,380
Unassigned:				
General Fund	1,347,669	-	-	1,347,669
Total Fund Balance	<u>1,393,554</u>	<u>6,495</u>	<u>-</u>	<u>1,400,049</u>
Total Liabilities and Fund Balance	<u>\$ 1,544,048</u>	<u>\$ 96,788</u>	<u>\$ 1,458</u>	<u>\$ 1,642,294</u>

See accompanying Notes to Basic Financial Statements.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2023

Total Fund Balance for Governmental Funds	\$ 1,400,049
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Equipment, Net of Accumulated Depreciation	37,333
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The School's deferred outflows are recorded only on the statement of net position. Balances at year-end are:

Deferred Outflows of Resources - Pensions	<u>300,739</u>
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Total Net Position of Governmental Activities	<u><u>\$ 1,738,121</u></u>
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CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Major Funds		Nonmajor	Total
	General	Federal	Funds	Governmental
				Funds
REVENUES				
Local Sources:				
Grants and Contributions	\$ 2,088,915	\$ -	\$ -	\$ 2,088,915
Other	646	-	-	646
State Sources	580,786	-	-	580,786
Federal Sources	-	354,466	82,613	437,079
Total Revenues	<u>2,670,347</u>	<u>354,466</u>	<u>82,613</u>	<u>3,107,426</u>
EXPENDITURES				
Current:				
Instruction	1,343,068	101,062	-	1,444,130
Support Services	647,049	246,909	15,575	909,533
Operation of Noninstructional Services	19,560	-	128,640	148,200
Total Expenditures	<u>2,009,677</u>	<u>347,971</u>	<u>144,215</u>	<u>2,501,863</u>
EXCESS (DEFICIENCY) OF REVENUE				
(OVER) UNDER EXPENDITURES	660,670	6,495	(61,602)	605,563
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	61,602	61,602
Transfers Out	<u>(61,602)</u>	<u>-</u>	<u>-</u>	<u>(61,602)</u>
Total Other Financing Sources (Uses)	<u>(61,602)</u>	<u>-</u>	<u>61,602</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	599,068	6,495	-	605,563
FUND BALANCE				
Beginning of Year	794,486	-	-	794,486
End of Year	<u>\$ 1,393,554</u>	<u>\$ 6,495</u>	<u>\$ -</u>	<u>\$ 1,400,049</u>

See accompanying Notes to Basic Financial Statements.

**CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balance - Total Governmental Funds	\$	605,563
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:

Depreciation Expense		(2,667)
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Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.

		<u>300,739</u>
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Change in Net Position - Governmental Activities	<u><u>\$</u></u>	<u><u>903,635</u></u>
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NOTES TO BASIC FINANCIAL STATEMENTS

Draft for Discussion Purposes Only; Subject to Change

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of CLV Strong Start Academy Elementary Schools Inc (the School) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity

The School is a nonprofit corporation that was formed in 2021, in accordance with Nevada Statutes. The School engaged in planning and start up activities prior to the current fiscal year and began serving students in August 2022. The School is authorized by the Nevada State public Charter School Authority and operates under an authorizer contract extending through June 30, 2028. The School is organized to operate as a K-5 charter school that has a mission to provide equitable, high quality academics to prepare bilingual, civic-minded thinkers to maximize their potential in the community and the world. The governing body consists of a board of directors composed of no less than 3, and no more than 15 members to serve one-year terms.

The School's policy is to include in the financial statements all funds, departments, agencies, boards, commissions, and other component units for which the School is considered to be financially accountable.

Component units are legally separate entities for which the School is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no component units as of June 30, 2023.

Aside from its authorizer role, the Nevada Public Charter Schools Authority has no authority, control, power, or administrative responsibilities over the School. Therefore, the School is not considered a component unit of the Nevada Public Charter Schools Authority.

The School is a blended component unit of the City of Las Vegas, Nevada's financial reporting entity and is included in the comprehensive annual financial report of the City of Las Vegas, Nevada (City). The purpose of a legally separate School component unit financial report is to fulfill the requirements of the Nevada Revised Statutes (NRS). The financial statements of the School are not intended to present fairly the financial position and results of operations of the City of Las Vegas, Only the accounts of the School are included in the reporting entity.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The School-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the School.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The School applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the School-wide financial statements.

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Nevada Statutes and accounting principles generally accepted in the United States of America. Nevada Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the eligibility requirements are met. Food service sales and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

Description of Funds

The School operates as a nonprofit corporation under Nevada Statute §388A.095. However, state law also requires that the school follow the Nevada Department of Education Common Elements for Accounting and Reporting K-12 Educational Finances which mandates the use of a governmental fund accounting structure. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the School, as well as the capital related activities such as maintenance of facilities and equipment purchases.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Major Governmental Funds (Continued)

Federal Special Revenue Fund

The Federal Revenue Fund is used to account for federal revenues and expenditures, other than those accounted for in the Food Service Special Revenue Fund. Primary revenue sources in the Federal Revenue Fund are grants and aids from the Federal government.

E. Income Taxes

The School is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable sections of the Nevada income tax statutes.

F. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General Fund and the Federal Revenue Fund. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. The School is not legally required to and did not adopt a budget for the Federal Fund.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Director submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

Budgeted amounts include a mid-year budget amendment that changed revenue and expenditure budgets as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 3,912,026	\$ (1,553,934)	\$ 2,358,092
<u>Expenditures</u>			
General Fund	\$ 2,728,949	\$ (322,033)	\$ 2,406,916

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Nevada Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

H. Accounts Receivable

Accounts receivable represents amounts due from individuals, firms, and corporations for goods and services furnished by the School. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed over the period benefitted. The School uses the consumption method to record prepaid expenses.

J. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows/inflows of resources. These separate financial statement elements, deferred outflows/inflows of resources, represent a consumption/addition to net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or inflow of resources (revenue) until then. The School has one item each that qualifies for reporting in these categories related to pensions.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The School maintains a threshold level of \$2,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the School-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the School, no salvage value is taken into consideration for depreciation purposes. Useful lives are three years for equipment and seven years for furniture.

The School does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Nevada (NV PERS) and additions to/deductions from NV PERS' fiduciary net position have been determined on the same basis as they are reported by NV PERS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The School's net pension liability represents the School's proportionate share of the total unfunded pension liability of NV PERS. Contributions made to NV PERS in fiscal year 2022 are recorded as deferred outflows and will be recognized as a reduction to the net pension liability in the subsequent fiscal year.

M. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance related to prepaid expenses, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the School Board. The School Board chose not to pass a resolution authorizing anyone to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts of the General Fund.

N. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers compensation and natural disasters. The School purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the School's policies. Settled claims resulting from these risks have not exceeded insurance coverage in the past fiscal year.

O. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the School-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance of any debt used to build or acquire the capital assets. Net position is reported as restricted in the School-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. New Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users and requires recognition of right to use assets and corresponding liabilities for SBITA's that meet certain criteria.

The School adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. There was no material impact to the financial statements related to the adoption of the new standard.

Management has completed its assessment of all other new, but not yet effective GASB statements, including those for which the implementation dates were delayed by the issuance of GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in May 2020, and determined that they will not have a material effect on the School's financial position or changes therein.

NOTE 2 DEPOSITS

The School maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Cash and Investments." In accordance with applicable Nevada Statutes, the School maintains deposits at depository banks authorized by the School's Board.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk and follows Nevada Statutes for deposits.

Nevada Statutes require that all deposits be protected by insurance, surety bond, or collateral.

The School's carrying balance of deposits at June 30, 2023 was \$1,404,765. All deposits were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Nevada Statutes.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Being Depreciated:				
Site Improvements	40,000	\$ -	\$ -	\$ 40,000
Accumulated Depreciation for:				
Site Improvements	-	(2,667)	-	(2,667)
Governmental Activities Capital Assets, Net	<u>\$ 40,000</u>	<u>\$ (2,667)</u>	<u>\$ -</u>	<u>\$ 37,333</u>

Depreciation expense was charged to functions of the School as follows:

Governmental Activities	
Support Services	\$ 2,667
Total Depreciation Expense, Governmental Activities	<u>\$ 2,667</u>

NOTE 4 DEFINED BENEFIT PENSION PLANS

Substantially all employees of the School are required by State Law to belong to the pension plan administered by NV PERS, all of which are administered on a statewide basis. Disclosures relating to these plans are as follows:

A. Plan Description

The School participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement System of Nevada (NV PERS or the System). NV PERS' defined benefit pension plans are established and administered in accordance with Nevada Statutes. NV PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

B. Benefits Provided

- Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.
3. Postretirement increases are provided by authority of NRS 286.575 - .579.

C. Vesting

1. Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.
2. Police/Fire members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with 5 years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.
3. The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Contributions

1. Nevada Statutes set the rates for employer and employee contributions. Contribution rates are increased/decreased pursuant to NRS 286.421 and 286.450. The Statutory Employer/Employee matching rate and the Employer-pay Contribution rate was 15.25% and 29.25% for the year ended June 30, 2023. The School's contributions to the System for the year ended June 30, 2023 were \$300,739. The School's contributions were equal to the required contributions as set by state statute.

E. Pension Costs

1. At June 30, 2023, the School reported a liability of \$-0- for its proportionate share of the System's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's contributions received by System during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of the System's participating employers.

At June 30, 2023, the School's proportion was 0.0%. For the year ended June 30, 2023, the School recognized pension expense of \$-0- for its proportionate share of System's pension expense.

At June 30, 2023, the School reported its proportionate share of System's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Pension Deferred Outflows and Inflows of Resources</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 300,739	\$ -
Difference Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Difference in Proportion	-	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	-
Total	<u>\$ 300,739</u>	<u>\$ -</u>

2. A total of \$300,739 reported as deferred outflows of resources related to pensions resulting from School contributions to the System subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.50%
Investment Rate of Return	7.25%
Productivity Pay Increase	0.50%
Projected Salary Increases	4.20% to 9.10% depending on service
Other Assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience review completed in 2021.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2022, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
Domestic Equity	42 %	5.50 %
International Equity	18	5.50
Domestic Fixed Income	28	0.75
Private Markets	12	6.65

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following presents the School's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% Decrease (6.25%)	\$ -
Current Discount Rate (7.25%)	-
1% Increase (8.25%)	-

H. Pension Plan Fiduciary Net Position

Detailed information about NV PERS' fiduciary's net position is available in a separately issued NV PERS financial report. That report may be obtained on the Internet at www.nvpers.org under Quick Links - Publications.

NOTE 5 COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

NOTE 6 INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the government-wide statements. The following balances are reported in the fund financial statements.

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2023 are temporary loans and are detailed as follows:

	<u>Due from Other Fund</u>	<u>Due to Other Fund</u>
General Fund	\$ 91,751	\$ -
Special Revenue Funds:		
Federal Revenue Fund	-	90,293
Food Service Fund	-	1,458
Total	<u>\$ 91,751</u>	<u>\$ 91,751</u>

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the year ended June 30, 2023 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 61,602
Special Revenue Funds:		
Special Education Fund	61,602	-
Total	<u>\$ 61,602</u>	<u>\$ 61,602</u>

NOTE 7 RELATED PARTY TRANSACTIONS

The elected members of the School's Board of Directors are appointed by the city council for the City of Las Vegas (the City). Related party transactions with the City as of and during the year ended June 30, 2023 were as follows: The City contributed \$2,088,915, 67% of total revenue, to the School for the year ended June 30, 2023. Additionally, the School entered into a lease agreement with a commencement date of June 13, 2022 and expiring on June 13, 2028. The lease required monthly payments of \$10,000 from commencement until October 1, 2022. Beginning on October 1, 2022, the School is required to make lease payments of \$1.00 in monthly installments until the lease termination date. The total amount of rent paid to the City for the year ended June 30, 2023 is \$30,009.

REQUIRED SUPPLEMENTARY INFORMATION

Draft for Discussion Purposes Only; Subject to Change

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
SCHEDULE OF BUDGET TO ACTUAL COMPARISON
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Local Sources:				
Grants and Contributions	\$ 2,599,290	\$ 1,737,543	\$ 2,088,915	\$ 351,372
Other	-	646	646	-
State Sources	1,312,736	619,903	580,786	(39,117)
Total Revenues	<u>3,912,026</u>	<u>2,358,092</u>	<u>2,670,347</u>	<u>312,255</u>
EXPENDITURES				
Current:				
Salaries	1,358,293	1,141,760	1,088,032	(53,728)
Employee Benefits	418,242	505,948	444,254	(61,694)
Professional and Tech Services	527,960	479,784	160,332	(319,452)
Property Services	-	-	99,153	99,153
Other Services	550	550	31,998	31,448
Supplies	423,904	278,874	185,908	(92,966)
Total Expenditures	<u>2,728,949</u>	<u>2,406,916</u>	<u>2,009,677</u>	<u>(397,239)</u>
EXCESS (DEFICIENCY) OF REVENUES				
(OVER) UNDER EXPENDITURES	1,183,077	(48,824)	660,670	709,494
OTHER FINANCING USES				
Transfers Out	-	-	(61,602)	(61,602)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(61,602)</u>	<u>(61,602)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,183,077</u>	<u>\$ (48,824)</u>	599,068	<u>\$ 647,892</u>
FUND BALANCE				
Beginning of Year			794,486	
End of Year			<u>\$ 1,393,554</u>	

See Independent Auditors' Report and Notes to the Required Supplementary Information.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2023

	<u>2022</u>
School's Proportion of the Net Pension Liability (Assets)	n/a*
School's Proportionate Share of the Net Pension Liability (Asset)	n/a*
School's Covered Payroll	n/a*
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	n/a*
Plan Fiduciary Net Position as a percentage the Total Pension Liability	75.1%

* Accounting standards require calculation of the proportionate share of the pension liability based on the plan information for the previous year. CLV Strong Start Academy was not yet in operation in years prior to June 30, 2022 and therefore has no calculated proportion share of the net pension liability as of June 30, 2022.

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
SCHEDULE OF SCHOOL CONTRIBUTIONS
NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2023

	<u>2023</u>
Contractually Required Contribution	\$ 300,739
Contributions in Relation to the Contractually Required Contribution	<u>300,739</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>
 School's Covered Payroll	 \$ 1,159,000
 Contributions as a Percentage of Covered Payroll	 25.95%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison for the General Fund

A budgetary comparison is presented for the General Fund. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year-end, actual amounts at fiscal year-end, and amounts over/(under) the final budget.

Schedule of the School's Proportionate Share of the Net Pension Liability – Nevada Public Employees' Retirement System

The schedule presents information on the School's proportionate share of the net pension liability, the School's proportionate share of the net pension liability as a percentage of covered payroll, and the plan fiduciary net position as a percentage of the total pension liability. In the future, as data becomes available, 10 years of information will be presented.

Schedule of the School Contributions – Nevada Public Employees' Retirement System

The schedule presents information on the School's required contribution for pension benefits, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

NOTE 2 MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN

For the year ended June 30, 2023, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2022.

The actuarial valuation report dated June 30, 2022 are the only valuations to date of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the 10 most recent valuations.

Additional pension plan information can be found in Notes 1 and 4 to the basic financial statements.

SUPPLEMENTARY INFORMATION

Draft for Discussion Purposes Only; Subject to Change

CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
FINANCIAL FRAMEWORK INFORMATION WORKSHEET
YEAR ENDED JUNE 30, 2023

Financial Framework Information Worksheet			
Enter the required data into the highlighted cells for items 1 thru 26.			
1. School Name	CLV Strong Start Academy Elementary Schd		
2. School Year	2022	to	2023 YYYY to YYYY
3. Year of Operation	2023	Year of contracted operation with the current charter school authorizer	
4. Independent Auditor	CliftonLarsonAllen LLP		
SELECT ASSETS			
5. Cash	\$1,404,765	Source: Statement of Net Position	
6. Proceeds from Bonds	-	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
7. Current Assets	1,550,543	Source: Statement of Net Position	
8. NonCurrent Assets	37,333	Source: Statement of Net Position	
9. Deferred Inflows	-	Source: Statement of Net Position	
10. Ending Fund Balance	1,400,049	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
SELECT LIABILITIES			
11. Deferred Outflows	\$300,739	Source: Statement of Net Position	
12. Current Liabilities	150,494	Source: Statement of Net Position	
13. Annual Principal	-	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
14. NonCurrent Liabilities (Net of PERS pension liability)	-	Source: Statement of Net Position	
15. Outstanding Loan	No	(Yes or No)	Source: Statement of Net Position/Notes to the audited financial statements
16. PERS Pension Liability	-	Source: Statement of Net Position	
SELECT REVENUES			
17. Revenues - Operating	\$3,107,426	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
18. Revenues - Non Operating	-	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
SELECT EXPENDITURES			
19. Expenditures	\$2,501,863	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
20. Interest Expense	-	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
21. Depreciation Expense	2,667	Source: Notes to the audited financial statements	
22. Capital Expenses Paid with Bond Proceeds	-	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
NOTICES			
23. Debt Default	No	(Yes or No)	Source: Notes to the audited financial statements
24. Other Legal/Financial Notices	None		
ENROLLMENT			
25. Actual Enrollment	80	Source: Actual enrollment from DSA spreadsheet	
26. Projected Enrollment	85	Source: Most Recent Approved Budget for applicable fiscal year	

See the auditor's report and the accompanying Note to Required Supplementary Information.

OTHER REQUIRED REPORTS

Draft for Discussion Purposes Only; Subject to Change

**INDEPENDENT AUDITORS' 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 Directors
CLV Strong Start Academy Elementary Schools Inc
Las Vegas, Nevada

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, each major fund, and the aggregate remaining fund information of CLV Strong Start Academy Elementary Schools Inc, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise CLV Strong Start Academy Elementary Schools Inc's basic financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CLV Strong Start Academy Elementary Schools Inc's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CLV Strong Start Academy Elementary Schools Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of CLV Strong Start Academy Elementary Schools Inc's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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.

**CLV STRONG START ACADEMY ELEMENTARY SCHOOLS INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Report on Compliance and Other Matters

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

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.

CliftonLarsonAllen LLP

Las Vegas, Nevada
REPORT DATE