

**100 ACADEMY OF EXCELLENCE,  
AN IMAGINE SCHOOL  
FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION  
AND OTHER SUPPLEMENTARY INFORMATION  
June 30, 2017**

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**JUNE 30, 2017**

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To the Board of 100 Academy of Excellence, an Imagine School

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of 100 Academy of Excellence, An Imagine School as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of 100 Academy of Excellence, An Imagine School as of June 30, 2017, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 3 through 8 and 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 100 Academy of Excellence, an Imagine School's basic financial statements. The accompanying schedule of federal awards is presented for purposes of additional analysis as required by the Nevada Department of Education, and is not a required part of the basic financial statements.

The schedule of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. This schedule has not been audited in accordance with requirements of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

*Coulson & Associates, Ltd.*

Reno, Nevada  
December 13, 2017

## **100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**

### **Management Discussion and Analysis**

This section of 100 Academy of Excellence, an Imagine School's annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended June 30, 2017. Please read it in conjunction with the School's financial statements, which immediately follows this section.

#### **Financial Highlights**

- The School completed its year of operation with a net position of \$(2,398,078).
- For the year ending June 30, 2017, net position decreased by \$108,836.
- The General Fund had a fund balance of \$592,960, which was the same as the prior year's General Fund balance of \$592,960.

#### **Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused compensated absences).

The government-wide financial statements outline functions of the School that are principally supported by the State of Nevada per pupil funding. The governmental activities of the School include instruction, support services, operation and maintenance of facilities. The government-wide financial statements can be found on pages 9 and 10 of this report.

# **100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**

## **Management Discussion and Analysis**

### **Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School uses only governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as government activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 12 and 14, respectively.

In accordance with Nevada Revised Statutes, the School maintains a General and a Grant fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditure, and changes in fund balance for the General and Grant Revenue Funds, both of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 11 and 13 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 18 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's budget process. The School adopts an annual budget and a budgetary comparison in the supplementary information section of this report.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**Management Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the School, current assets exceeded current liabilities by \$599,203 as of June 30, 2017.

The following presents a summary of the School's governmental activities net position for the following years:

	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>	<u>As of June 30, 2015</u>
Current Assets	\$ 1,181,414	\$ 1,022,022	\$ 1,087,370
Capital Assets	58,364	121,780	160,214
Total Assets	<u>1,239,778</u>	<u>1,143,802</u>	<u>1,247,584</u>
Deferred outflows of resources	619,383	367,558	274,827
Total Assets and Deferred Outflows	1,859,161	1,511,360	1,522,411
Current Liabilities	582,211	421,755	492,764
Long-term Liabilities	3,183,474	2,874,314	2,599,689
Total Liabilities	<u>3,765,685</u>	<u>3,296,069</u>	<u>3,092,453</u>
Deferred inflows of resources	491,554	504,533	757,099
Total Liabilities and Deferred Inflows	4,257,239	3,800,602	3,849,552
Net Position:			
Non-spendable	56,252	-	-
Invested in Capital Assets, net of related debt	58,364	121,780	160,214
Unrestricted	<u>(2,512,694)</u>	<u>(2,411,022)</u>	<u>(2,487,355)</u>
Total Net Position	<u>\$ (2,398,078)</u>	<u>\$ (2,289,242)</u>	<u>\$ (2,327,141)</u>

*For more detailed information see the government-wide statement of net position and the notes to the financial statements.*

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**Management Discussion and Analysis**

**Changes in Net Position**

The School's total revenues for the fiscal year ended June 30, 2017 were \$4,995,202. The total costs of all programs and services were \$5,056,508. The following is a summary of the changes for the following years:

	<b>Fiscal year ended June 30, 2017</b>	<b>Fiscal year ended June 30, 2016</b>	<b>Fiscal year ended June 30, 2015</b>
<b>Revenue:</b>			
Program Revenue			
Charges for Service	\$ 249,159	\$ 276,525	\$ 303,150
Operating Grants	235,702	392,443	362,676
General Revenue			
State Funding	3,805,246	4,092,132	4,285,982
Contributions/Donations	441,880	464,573	416,931
Miscellaneous	263,215	64,707	317,709
Total Revenue	<u>4,995,202</u>	<u>5,290,380</u>	<u>5,686,448</u>
<b>Expenses:</b>			
Instruction Regular	1,816,429	1,907,753	2,085,093
Instruction Special	217,850	237,744	229,605
Facilities	1,159,656	1,306,730	1,419,370
Administration	943,776	949,284	938,824
Support Services	619,683	538,563	718,420
Business Activities	255,698	277,401	316,721
Depreciation	43,416	35,007	55,007
Total Expenses	<u>5,056,508</u>	<u>5,252,482</u>	<u>5,763,040</u>
Increase (Decrease) in Net Position	<u>\$ (61,306)</u>	<u>\$ 37,898</u>	<u>\$ (76,592)</u>

The School's Educational Management Organization (EMO), Imagine Schools, Inc. made significant contributions in the current and prior year which are reported under Contributions/Donations.



**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**Management Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

The financial performance of the School as a whole is reflected in its governmental funds. As the School completed the year, its governmental funds reported a General fund balance of \$592,960.

**Budgetary Highlights**

The School received contributions which were not certain and therefore not budgeted.

The School received less than budgeted State revenue which is based on per-pupil funding. Projected enrollment was lower than budgeted because of the uncertainty of late signups.

A schedule showing the original and final budget amounts compared to the School's actual financial activity is provided in this report as required supplementary information.

**Capital Assets and Debt Administration**

As of June 30, 2017, the School had capital assets, net of accumulated depreciation, of \$58,364. Capital assets consisted of instructional equipment, equipment, and leasehold improvements. Total current year depreciation expense was \$43,416. The School's policy is to capitalize individual items costing \$5,000 or more. Additional information on capital assets can be found in the notes to financial statements on page 24.

On the governmental financial statements capital assets are expensed in the period they are purchased as they are not considered financial resources.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**Management Discussion and Analysis**

**Economic Factors and Next Year's Budget and Rates**

The School used no specific economic factors in preparing its budget. The School's major source of revenue is the per-pupil funding from the State of Nevada. The School estimates enrollment based on applications received and a projected late signup before the start of School. The amount of the per-pupil funding becomes fixed as of the official count day in September.

For expenses, the School typically assumes an increase of 5% to 10% over the prior year for non-contract items. The majority of the School's expenses are teacher salaries and the related benefits. Teacher salaries and the related benefits are fixed by contract as agreed upon by the governing board.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**

**STATEMENT OF NET POSITION**

**June 30, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current Assets			
Cash	\$ 1,030,619	\$ -	\$ 1,030,619
Receivable	88,300	6,243	94,543
Prepaid	56,252	-	56,252
Total Current Assets	<u>1,175,171</u>	<u>6,243</u>	<u>1,181,414</u>
Non-Current Assets			
Capital Assets			
Equipment	599,445	35,707	635,152
Leasehold Improvements	17,850	-	17,850
Less: Accumulated Depreciation	<u>(560,553)</u>	<u>(34,085)</u>	<u>(594,638)</u>
Total Capital Assets, Net	<u>56,742</u>	<u>1,622</u>	<u>58,364</u>
Total Assets	<u>1,231,913</u>	<u>7,865</u>	<u>1,239,778</u>
<b>Deferred Outflows of Resources</b>			
Contributions to pension plan in current fiscal year	<u>619,383</u>	<u>-</u>	<u>619,383</u>
Total Assets and Deferred Outflows of Resources	<u>1,851,296</u>	<u>7,865</u>	<u>1,859,161</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	371,506	-	371,506
Accrued Payroll Liabilities	<u>210,705</u>	<u>-</u>	<u>210,705</u>
Total Current Liabilities	<u>582,211</u>	<u>-</u>	<u>582,211</u>
Non-Current Liabilities			
Net Pension Liability	<u>3,183,474</u>	<u>-</u>	<u>3,183,474</u>
Total Non-Current Liabilities	<u>3,183,474</u>	<u>-</u>	<u>3,183,474</u>
Total Liabilities	<u>3,765,685</u>	<u>-</u>	<u>3,765,685</u>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	<u>491,554</u>	<u>-</u>	<u>491,554</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,257,239</u>	<u>-</u>	<u>4,257,239</u>
<b>Net Position</b>			
Non-spendable	56,252	-	56,252
Invested in Capital Assets, net of Related Debt	56,742	1,622	58,364
Unrestricted	<u>(2,518,937)</u>	<u>6,243</u>	<u>(2,512,694)</u>
Total Net Position	<u>\$ (2,405,943)</u>	<u>\$ 7,865</u>	<u>\$ (2,398,078)</u>

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

Function/Program	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges For Service	Operating Grants	Government Activities	Business Type Activities	Total
<b>Governmental Activities</b>						
Instruction						
Regular	\$ 1,816,429	\$ -	\$ 144,811	\$ (1,671,618)	\$ -	\$ (1,671,618)
Special	217,850	-	90,891	(126,959)	-	(126,959)
Total Instruction	2,034,279	-	235,702	(1,798,577)	-	(1,798,577)
Support						
Facilities	1,159,656	-	-	(1,159,656)	-	(1,159,656)
General Administration	943,776	-	-	(943,776)	-	(943,776)
Support	619,683	-	-	(619,683)	-	(619,683)
Depreciation	40,807	-	-	(40,807)	-	(40,807)
Total Support	2,763,922	-	-	(2,763,922)	-	(2,763,922)
Total Governmental Activities	4,798,201	-	235,702	(4,562,499)	-	(4,562,499)
<b>Business-type Activities:</b>						
Food Service	255,698	249,159	-	-	(6,539)	(6,539)
Depreciation	2,609	-	-	-	(2,609)	(2,609)
Total Business-type Activities	258,307	249,159	-	-	(9,148)	(9,148)
Total	\$ 5,056,508	\$ 249,159	\$ 235,702	(4,562,499)	(9,148)	(4,571,647)
<b>General Revenues:</b>						
State Funding				3,805,246	-	3,805,246
Contributions/Donations				441,880	-	441,880
Miscellaneous				263,215	-	263,215
Total General Revenues				4,510,341	-	4,510,341
Changes in Net Position				(52,158)	(9,148)	(61,306)
Transfer (from) to Business Type Activities				(5,474)	5,474	-
<b>Net Position, July 1, as originally stated</b>				(2,300,781)	11,539	(2,289,242)
Prior Period Adjustment - Correction of Errors						
Prepaid expenses				(40,122)		(40,122)
Accounts receivable				19,903		19,903
Other receivables				(6,629)		(6,629)
Accounts payable				5,352		5,352
Payroll liabilities				(6,034)		(6,034)
Depreciation expense				(20,000)		(20,000)
<b>Net Position, July 1, restated</b>				(2,348,311)	11,539	(2,336,772)
<b>Net Position - Ending</b>				\$ (2,405,943)	\$ 7,865	\$ (2,398,078)

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**June 30, 2017**

	<u><b>General Fund</b></u>
<b>ASSETS</b>	
Cash	\$ 1,030,619
Receivable	88,300
Prepaid Expense	56,252
Total Assets	<u><u>1,175,171</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	371,506
Accrued Payroll Expenses	210,705
Total Liabilities	<u><u>582,211</u></u>
 <b>FUND BALANCE</b>	
Non-Spendable	56,252
Unassigned	536,708
Total Fund Balance	<u><u>592,960</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$ 1,175,171</u></u>

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2017**

Total Fund Balance - Total Governmental Funds	\$	592,960
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Amounts reported for *governmental activities* in the statement of net position are different due to:

Long-term liabilities are not due and payable in the current period and therefore are not reported as a liability in governmental funds

Net Pension Liability	\$	(3,183,474)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds

Contributions to the pension plan in the current fiscal year	\$	619,383
Pension deferrals	\$	(491,554)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

Cost of Capital Assets	617,295	
Accumulated Depreciation	(560,553)	56,742

Net Position of Governmental Activities	\$	(2,405,943)
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**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUND**  
**For the Year Ended June 30, 2017**

	<u><b>General Fund</b></u>
<b>REVENUES</b>	
State Sources	\$ 3,805,246
Federal Sources	235,702
Contributions/Donations	441,880
Other	263,215
Total Revenues	<u>4,746,043</u>
<b>EXPENDITURES</b>	
Instruction	
Regular	1,772,074
Special	217,850
Total Instruction	<u>1,989,924</u>
Support Services	
Facilities	1,159,656
Administration	943,776
Support	619,683
Total Support Services	<u>2,723,115</u>
Total Expenditures	<u>4,713,039</u>
Revenue Over (Under) Expenditures	<u>33,004</u>
Contribution From (To) Business Type Activities	<u>(5,474)</u>
Net Change in Fund Balance	<u>27,530</u>
<b>FUND BALANCE, July 1, as originally stated</b>	592,960
Prior Period Adjustment - Correction of errors	
Prepaid expense	(40,122)
Accounts receivable	19,903
Other receivables	(6,629)
Accounts payable	5,352
Payroll liabilities	(6,034)
<b>Fund Balance, July 1, restated</b>	<u>565,430</u>
<b>FUND BALANCE, End of Year</b>	<u><u>\$ 592,960</u></u>

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**June 30, 2017**

Net Changes in Fund Balance - Total Governmental Funds	\$	33,004
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Amounts reported for governmental activities in the statement of activities are different due to:

Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period

Capital Outlays	-		
Depreciation Expense	(40,807)		(40,807)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds

Change in net pension liability	(309,160)		
Change in deferred inflows of resources of pension	12,979		(296,181)

Contributions to a defined benefit pension plan between the measurement date of the reported net pension liability and the governments reporting period must be recognized as a deferred outflow of resources

Difference in contributions to the pension plan from the prior fiscal year			251,826
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Changes in Net Position of Governmental Activities	\$	(52,158)
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**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2017**

	<b><u>Business-Type Activities Food Service</u></b>
<b>Assets</b>	
Current Assets	
Receivable	\$ 6,243
Total Current Assets	<u>6,243</u>
Non-Current Assets	
Furniture and Equipment, Net	<u>1,622</u>
Total Non-Current Assets	<u>1,622</u>
Total Assets	<u><u>\$ 7,865</u></u>
<b>Net Position</b>	
Invested in Capital Assets, Net of Related Debt	\$ 1,622
Unrestricted	<u>6,243</u>
Total Net Position	<u><u>\$ 7,865</u></u>

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities Food Service</b>
<b>Operating Revenues:</b>	
Charge for Services	\$ 249,159
Total Operating Revenue	<u>249,159</u>
<b>Operating Expenses:</b>	
Supplies	189,544
Wages	66,154
Depreciation	2,609
Total Operating Expenses	<u>258,307</u>
Income (Loss) Before Capital Contributions	(9,148)
Transfer from General Fund	<u>5,474</u>
Changes in Net Position	(3,674)
<b>Total Position - Beginning</b>	11,539
<b>Total Position - Ending</b>	<u><u>\$ 7,865</u></u>

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**June 30, 2017**

	<b>Business-Type Activities Food Service</b>
<b>Cash flow from Operating Activities:</b>	
Cash received for users	\$ 250,224
Cash payments for wages and benefits	(66,154)
Cash payments for supplies	(189,544)
Net cash provided (used) by operating activities	<u>(5,474)</u>
<b>Cash flows from Capital and Related Financing Activities:</b>	
Acquisition of capital assets	<u>-</u>
Net cash provided (used) for capital and related financing activities	<u>-</u>
<b>Cash flows from Investing Activities:</b>	
Transfer (to) from the General Fund	<u>5,474</u>
Net cash provided (used) for investing activities	<u>5,474</u>
Net increase (decrease) in Cash	-
<b>Cash, July 1, as previously reported</b>	6,941
Adjust to actual	<u>(6,941)</u>
<b>Cash, July 1, restated</b>	-
<b>Cash - Ending of Year</b>	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (9,148)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	2,609
Changes in assets and liabilities:	
Accounts Receivable	1,065
Net cash provided (used) by operating activities	<u><u>\$ (5,474)</u></u>

See accompanying notes

## **100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 1 - Summary of Significant Accounting Policies:**

The financial statements of 100 Academy of Excellence, an Imagine School (the "School") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **Reporting Entity**

100 Academy of Excellence, an Imagine School was organized in 2006 to operate a public charter school sponsored by the Nevada Department of Education, under Nevada Revised Statutes 386.500 to 386.610. Currently, the School operates at Kindergarten through 8<sup>th</sup> grade levels in Clark County.

The School receives funding from state, federal and local government sources and must comply with the requirements of these funding source entities. However, the School is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since its Board of Directors has decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

#### **Basis of Presentation and Basis of Accounting**

##### **Government-Wide Statements**

GASB Statement Number 34 mandates government-wide financial statements of net position and activities, which are presented on the economic resources management focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized then incurred. It also requires that certain fixed assets be recorded at cost less accumulated depreciation, pension deferrals and liabilities be recognized and outstanding debt be included in the statement of net position.

The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). The School's general fund and grant fund are classified as governmental activities.

The Statement of Activities presents a comparison between direct expenses and program revenue for each function of the School's governmental activities. Direct expenses are those that are specifically associated with a program or functions. The School does not charge indirect expenses to programs or functions. Program revenue includes fees for services and grants that are restricted to a particular program. Revenue that is not classified as program revenue is presented as general revenue.

## 100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL NOTES TO THE FINANCIAL STATEMENTS

### **NOTE 1 - Summary of Significant Accounting Policies**

#### **Fund Financial Statements**

The accounts of the School are organized on the basis of funds, each of which is considered a separate accounting entity. 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. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Generally accepted accounting principles require that the general fund be reported as a major fund and that all other governmental funds whose assets, liabilities, revenue or expenditures exceed 10% or more of the total for all governmental funds also be reported as a major fund. Accordingly, the School reports the following major governmental funds:

#### **Governmental and Major Funds**

The *General Fund* is 100 Academy of Excellence's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Grant Fund* accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

#### **Enterprise Funds:**

The *Food Service Fund* is used to account for the charges for services and expenses associated with the school lunch program.

100 Academy of Excellence maintains its accounting records for all governmental funds and prepares its financial statements on the modified accrual basis of accounting as required by Nevada Revised Statutes (NRS) 218.825. The budget of 100 Academy of Excellence is also prepared on the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when "measurable and available" to finance expenditures of the fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers all revenue available if it is collected within 60 days after year-end. Most major sources of revenue reported in governmental funds are susceptible to accrual under the modified accrual basis of accounting.

Interest is subject to accrual. Other receipts become measurable and available when cash is received by 100 Academy of Excellence and are recognized as revenue at that time.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies**

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include “non-spendable” which are not expected to be converted to cash, such as inventory or prepaid items, “restricted” by conditions of law, regulation grants or contracts with external parties, “committed” which arise from majority votes of the School’s Board, “assigned” which reflect an intent by the Principal or a person assigned by the School’s Board, or “unassigned” which is the residual amount.

When both restricted and unrestricted fund balances are available for expenditures, it is the School’s policy to use restricted fund balances first, then unrestricted as needed. Expenditures incurred in the unrestricted fund balances shall be reduced first from committed fund balance, then from the assigned fund balance and lastly, from the unassigned fund balance.

Private-sector standards of accounting and financial reports issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**Accounting for Uncertainty in Income Taxes**

In June 2006, the Financial Accounting Standards Board (“FASB”) issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109, Accounting for Income Taxes (“FIN48”). FIN 48 (now referred to as FASB ASC 740-10), requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur and jeopardize the tax-exempt status.

The School has not recognized any benefits from uncertain tax positions and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date of June 30, 2017.

**Cash**

Cash includes demand deposits held at the bank.

**Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows and Inflows of Resources**

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and proportionate share of contributions as well as contributions made after the measurement period for pensions qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments qualify for reporting in this category.

**Capital Assets**

Capital assets include leasehold improvements, instructional equipment, and other equipment which are reported in the government-wide financial statements. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Equipment	3-10 years
Leasehold Improvements	5-15 years

**Net Position/Fund Balances**

**Net Position:**

Net position in the government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (continued)**

**Fund Balance:**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

*Non-spendable Fund Balance* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid items, or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

*Committed Fund Balance* – This classification includes the portion of fund balance that can only be used for specific purposes imposed by majority vote of School's governing body (highest level of decision-making authority). Any changes or removal of the specific purpose requires majority action by the governing bodies that approved the original action.

*Assigned Fund Balance* – This classification includes the portion of fund balance that the School intends to use for specific purposes.

*Unassigned Fund Balance* – This classification includes the portion of fund balance that has not been assigned to another fund or restricted, committed, or assigned to specific purposes within the general fund.

**Estimates**

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

**Date of Management Review**

Management has evaluated subsequent events through December 13, 2017, which was the date the financial statements were issued, and concluded that no additional disclosures were required.



**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (continued)**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Nevada's Public Employees' Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported a fair value. The effect of this reporting amounts to a decrease of \$3,055,645 in unrestricted net position. In the fund financial statements the PERS expense is recognized as the current year contributions paid.

**NOTE 2 – Cash**

At June 30, 2017, the School held one bank account at one financial institution where they are insured by the Federal Deposit Insurance Corporation up to \$250,000. The School had a cash balance of \$1,030,619 with a bank balance of \$1,023,066. Amounts exceeding the FDIC limit are insured under the State Treasurer's Pooled Collateral Program. The program established pursuant to NRS 356.350 requires each depository to maintain as collateral acceptable securities having a fair market value that is at least 102 percent of the amount of the uninsured balance of the public money held by the depository.

**NOTE 3 – Accounts Receivable**

At June 30, 2017 the balance was \$94,543 which \$7,129 was due from an affiliate of its Education Management Organization, Imagine Schools Inc., in the form of a rent rebate. Total rent rebate for the year ended June 30, 2017 was \$187,931 and is included in contribution revenues.

**Note 4 – Prepaid**

At June 30, 2017, the prepaid balance of \$56,252 primarily consists of amounts paid to Imagine Schools, Inc. and held in a separate bank account for payroll expenditures in the amount of \$49,691. The remaining balance consists of amounts paid to various vendors utilized to provide services and products that are related to the next school year.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – Capital Assets**

It is the School's policy to capitalize items purchased in excess of \$5,000. Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Instructional Equipment	\$ 599,445	\$ -	\$ -	\$ 599,445
Leasehold Improvements	17,850	-	-	17,850
Total at Historical Cost	617,295	-	-	617,295
Less Accumulated Depreciation	519,746	40,807	-	560,553
Capital Assets, net	<u>\$ 97,549</u>	<u>\$ (40,807)</u>	<u>\$ -</u>	<u>\$ 56,742</u>
Business-Type Activities				
Equipment	\$ 35,707	\$ -	\$ -	\$ 35,707
Total at Historical Cost	35,707	-	-	35,707
Less Accumulated Depreciation	31,476	2,609	-	34,085
Capital Assets, net	<u>\$ 4,231</u>	<u>\$ (2,609)</u>	<u>\$ -</u>	<u>\$ 1,622</u>

**NOTE 6 – Operating Lease**

The School leases a building for classrooms and administrative offices under an annual operating lease which ends when the School terminates its operating agreement with its Educational Management Organization, Imagine School, Inc. Effective July 1, 2011, the base rent equals \$1,600 per student, but shall not exceed 21% of DSA revenues pursuant to the rent rebate agreement dated July 16, 2013. The student count is determined on the annual count day census determined by the Nevada Department of Education. The per student rate escalates annually at a rate equal to the overall consumer price index for the preceding twelve months. Total cost for rent was \$918,847 for the year ending June 30, 2017.

The School leases its gymnasium facility from The Las Vegas Clark County Urban League. The agreement is renewed annually with the usage fee set at \$148 for each day of use. Total rent for the year ending June 30, 2017 was \$11,500.

The School entered into a two year operating lease with Imagine School, Inc. for administrative services including use of furniture and equipment. The fee for services is set at 8% of federal and state funding revenues. The agreement was renewed July 1, 2014 for two years, and on October 13, 2016 the agreement was extended for an additional year, expiring on June 30, 2017. On June 30, 2017, the agreement was agreed upon for extension through June 30, 2018. Total cost for the year ending June 30, 2017 was \$301,911.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – Pension Plan and Postemployment Obligations**

*Plan Description.* The School is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a defined benefit cost-sharing multiple-employer program, and all full-time employees are covered under the system. The School has no liability for unfunded obligations of the system as provided by NRS 286.110 but is required to report their share of the net pension liability under GASB 68.

*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.

Monthly benefit allowances for regular members are computed at 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 2.5% 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, allows 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.

Post-retirement increases are provided by authority of NRS 286.575 - 286.579.

*Vesting.* Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service or at age 55 with thirty years of service or at any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowance 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. Regular members become fully vested as to benefits upon completion of five years of service.

*Contributions.* The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – Pension Plan and Postemployment Obligations (continued)**

plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. The system receives an actuarial valuation on an annual basis indicating the contribution on rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and NRS 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. The School is enrolled in both the employer-pay and employer/employee-pay plan for PERS and is, therefore, required to contribute all amounts due under the plan. The school's contractually required contribution rate for the year ended June 30, 2017 was 28.0 percent of annual payroll for employer-pay plans and 14.50 percent for employer/employee-pay plans, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School were \$310,851 for the year ended June 30, 2017.

*Investment Policy.* The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the system. The following was the PERS' Board's adopted policy target allocation as of June 30, 2016:

<u>Asset Class</u>	<u>Target Allocation of Return</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	42.0%	5.50%
International Equity	18.0%	5.75%
Domestic Fixed Income	30.0%	0.25%
Private Markets	10.0%	6.80%
Total	<u>100.0%</u>	

\*As of June 30, 2016, PERS' long-term inflation rate assumption was 3.5%.

*Pension Liability.* The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – Pension Plan and Postemployment Obligations (continued)**

due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2016.

*Pension Liability Discount Rate Sensitivity.* The following presents the net pension liability of PERS as of June 30, 2016, calculated using the discount rate of 8.0 percent, as well as what PERS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Net pension liability	<u>\$ 4,667,060</u>	<u>\$ 3,183,958</u>	<u>\$ 1,950,035</u>

*Actuarial assumptions.* The System's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by 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	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	4.60% to 9.75% depending on service
Consumer Price Index	3.50%

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the experience review completed in 2013.

*Discount Rate.* The discount rate used to measure the total pension liability was 8.0 percent as of June 30, 2016. 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, 2016, 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, 2016.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – Pension Plan and Postemployment Obligations (continued)**

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the School reported a liability of \$3,183,474 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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 a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School's proportion was 0.02366 percent, a decrease of 0.00142 percent from the prior year which was 0.02508 percent measured as of June 30, 2015.

For the year ended June 30, 2017, the School recognized pension expense of \$355,563 in the Government-wide Statement of Activities. At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 213,174
Net difference between projected and actual earnings on pension plan investments	295,944	-
Changes in proportion and differences between school contributions and proportionate share of contributions	12,588	278,380
School contribution subsequent to the measurement date	<u>310,851</u>	<u>-</u>
Total	<u>\$ 619,383</u>	<u>\$ 491,554</u>

Average expected remaining service lives	6.48 years
--	------------

The amount of \$310,851 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – Pension Plan and Postemployment Obligations (continued)**

Years Ended June 30:	
2018	\$ (145,500)
2019	(145,500)
2020	622,799
2021	301,323
2022	(116,007)
Thereafter	(25,561)

*Additional information.* Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS' CAFR available on the PERS website at [www.nvpers.org](http://www.nvpers.org) or you can call to request it at 775-687-4200.

**NOTE 8 - Donated Assets and Services**

Donated assets are reflected as contributions in the accompanying statements at their estimated value at date of receipt. No amounts have been reflected in the statements for donated services, since no objective basis is available to measure the value of such services. Nevertheless, volunteers have donated significant amounts of their time to the organization.

**NOTE 9 – Contributions**

Contributions are amounts received from the public and others as additional support of the Academy. For the year ended June 30, 2017, contributions were \$441,880.

**NOTE 10 – Compliance with Nevada Revised Statutes and Nevada Administrative Code**

The School conformed to all significant statutory constraints on the financial administration during the fiscal year.

**NOTE 11 – Budgetary Information**

The School is required by the State of Nevada Department of Education to adopt a final budget not later than May 1 of each year for the subsequent school year. The School is not required by the Department to augment its budget during the year. The School is not required to adopt a final budget, nor is it required to augment its budget under Nevada Revised Statutes. The Academy chose not to augment its Budget during the year. The original and final budgets are presented in the Budgetary Comparison Schedules.

**NOTE 12 – Prior Period Adjustment – Correction of errors**

During the year, the School identified several prior period errors and corrections. The most significant one was to expense prepaid insurance that was for a previous year in the amount of \$40,122.

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 – Prior Period Adjustment – Correction of errors**

Depreciation expense in the amount of \$20,000 was underreported in the prior year, and was corrected in the current year. Other receivables had a balance related to a prior year in the amount of \$6,629 and was corrected in the current year. Certain payroll liabilities were zeroed out in the current year creating a reduction to net position in the amount of \$6,034. To offset these reductions to net position, the School eliminated a negative accounts receivable in the amount of \$19,903 and eliminated an accounts payable that was over expensed in a prior year in the amount of \$5,352. The net effect of all of these corrections reduced the beginning net position by \$47,530.

The governmental fund balance was affected by each of the corrections above with the exception of depreciation expense. The net effect of all of the corrections to beginning fund balance in the governmental funds was \$27,530.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**For The Year Ended June 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
State and Federal Sources	\$ 3,723,500	\$ 3,723,500	\$ 4,040,948	\$ 317,448
Contributions	14,000	14,000	441,880	427,880
Other	66,800	66,800	263,215	196,415
Total Revenues	<u>3,804,300</u>	<u>3,804,300</u>	<u>4,746,043</u>	<u>941,743</u>
<b>Expenditures</b>				
Regular Instruction	1,747,947	1,747,947	1,772,074	(24,127)
Special Instruction	152,043	152,043	217,850	(65,807)
Total Instruction	<u>1,899,990</u>	<u>1,899,990</u>	<u>1,989,924</u>	<u>(89,934)</u>
<b>Support Services</b>				
Facilities	974,808	974,808	1,159,656	(184,848)
Administration	822,893	822,893	943,776	(120,883)
Support Instruction	676,950	676,950	619,683	57,267
Total Support Service	<u>2,474,651</u>	<u>2,474,651</u>	<u>2,723,115</u>	<u>(248,464)</u>
Total Expenditures	<u>4,374,641</u>	<u>4,374,641</u>	<u>4,713,039</u>	<u>(338,398)</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(570,341)</u>	<u>(570,341)</u>	<u>33,004</u>	<u>\$ 603,345</u>
Transfer (to) from business type funds	-	-	(5,474)	
Net Change in Fund Balance	(570,341)	(570,341)	27,530	
<b>Fund Balance - Restated</b>	565,430	565,430	565,430	
<b>Fund Balance - Ending</b>	<u>\$ (4,911)</u>	<u>\$ (4,911)</u>	<u>\$ 592,960</u>	

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL  
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
School's proportion of the net pension liability (asset)	0.02366%	0.02508%	0.02494%
School's proportionate share of the net pension liability (asset)	\$3,183,474	\$2,874,314	\$2,599,689
School's covered-employee payroll	1,540,856	1,721,146	1,720,938
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207%	167%	151%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	75.10%	76.31%

See accompanying notes

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL  
SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 310,851	\$ 294,626	\$ 325,276	\$ 257,782
Contributions in relation to the contractually required contribution	310,851	294,626	325,276	257,782
Contribution deficiency (excess)	-	-	-	-
School's covered-employee payroll	1,443,626	1,540,856	1,721,146	1,720,938
Contributions as a percentage of covered-employee payroll	22%	19%	19%	15%

See accompanying notes

## **OTHER SUPPLEMENTARY INFORMATION**

**100 ACADEMY OF EXCELLENCE, AN IMAGINE SCHOOL**  
**SCHEDULE OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

<u>Contract/Grant</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Passed through Clark County School District		
Special Education IDEA	84.027	90,891
Title I - ARRA Funds	84.389	39,682
School Improvement	84.041	105,129
		<u>\$ 235,702</u>
Total		