

STRIVE COLLEGIATE ACADEMY, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024

STRIVE COLLEGIATE ACADEMY, INC.

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STRIVE COLLEGIATE ACADEMY, INC.
INTRODUCTORY SECTION

BOARD OF DIRECTORS

Scott Emerson	Board Chair
Norma Shirk	Vice Chair
Dr. Aikyna Finch	Secretary
Jordan Walters	Treasurer
Sarah Ann Ezell	Director
Diane Hartman	Director
Stephanie Huffman	Director
Stephanie Sargent	Director
Yolanda Suttle	Director

LEADERSHIP TEAM

LaKendra Butler	School Leader
Miranda Bakla	Director of Operations
Sarah Woods	Director of Academics
Dominique Tross	Director of Continuous Improvement
Micah Turner	Director of Culture



Independent Auditor's Report

To the Board of Directors
STRIVE Collegiate Academy, Inc.
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of STRIVE Collegiate Academy, Inc. (the "School"), as of and for the year ended June 30, 2024, 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 and the major fund of the School, as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 6 - 10 and the schedule of the proportionate share of the net pension liability (asset) and the schedule of employer contributions on pages 43 - 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, schedule of changes in lease obligations, and schedule of lease requirements by year as listed in the table of contents, as required by the State of Tennessee Comptroller of the Treasury's *Audit Manual for Local Governmental Units and Other Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance, schedule of changes in lease obligations, and schedule of lease requirements by year are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Board of Directors
STRIVE Collegiate Academy, Inc.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2024, 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 School's internal control over financial reporting and compliance.

Nashville, Tennessee
December 29, 2024

STRIVE COLLEGIATE ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of STRIVE Collegiate Academy, Inc. (the “School”) annual financial performance provides an overview of the School’s financial activities as of and for the year ended June 30, 2024. This section should be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the School exceeded its liabilities and deferred inflows of resources by \$3,021,593.
- Net position decreased \$608,627 during the period.
- Total revenues of \$4,503,808 were comprised of Federal and State Pass-through Funds- 24%, District Funds- 73%, and Charitable Giving/Other- 3%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REPORTING THE SCHOOL AS A WHOLE

The Statement of Net Position and Statement of Activities:

In general, users of these financial statements want to know if the School is better off or worse off as a result of the year’s activities. The Statement of Net Position and Statement of Activities report information about the School as a whole and about the School’s activities in a manner that helps to answer that question. These statements include all assets and liabilities using the accrual basis of accounting. Under the accrual basis, all of the current period’s revenue and expenses are taken into consideration regardless of when cash is received or paid. The statements start on page 11.

The Statement of Net Position reports the School’s net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources). Private sector entities would report retained earnings. The School’s net position balance at year-end represents available resources for future growth. The Statement of Activities reports the change in net position as a result of activity during the year. Private sector entities have a similar report titled statement of operations, which reports net income. It provides the user a tool to assist in determining the direction of the School’s financial health during the year. Users will want to consider non-financial factors as well as the financial data in arriving at a conclusion regarding the overall health of the School.

STRIVE COLLEGIATE ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

REPORTING THE SCHOOL'S FUNDS

Fund Financial Statements:

The School's fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, begin on page 13. They provide detailed information about the School's most significant funds, not the School as a whole. Funds are established by the School to help manage money for particular purposes and compliance with various donor and grant provisions.

The School's funds are categorized as "governmental funds." Governmental funds focus on how money flows into and out of the funds and the balances left at period-end that are available for spending in future periods. Fund financial statements are reported using an accounting method called "modified accrual" accounting, which measures cash and other financial assets that can readily be converted to cash. This basis of accounting is different from the accrual basis used in the school wide financial statements to report on the School as a whole. The relationship between governmental activities, as reported in the Statement of Net Position and the Statement of Activities, and governmental funds, as reported in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled in the basic financial statements on pages 14 and 16.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The School's assets and deferred outflows of resources exceeded the School's liabilities and deferred inflows of resources at the close of the year, resulting in net position of \$3,021,593. The School's net position includes \$2,476,003 of cash. The cash is available to meet the School's ongoing activities.

As of June 30, 2024, the School had invested \$3,736,825 in capital assets. This investment includes building and leasehold improvements for instructional purposes, instructional computers, instructional and support furniture, and right-to-use lease assets. Additional information on property and equipment is located in Note C to the financial statements.

As of June 30, 2024, the School had right-to-use lease assets, net (included in capital assets) of \$3,101,867 and right-of-use lease liabilities totaling \$3,447,961. See Notes C and D to the financial statements for further information.

STRIVE COLLEGIATE ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

A schedule of the School's net position as of June 30, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Current assets	\$2,569,401	\$2,838,763
Capital assets, net and other non-current assets	<u>3,984,197</u>	<u>4,911,176</u>
Total assets	<u>6,553,598</u>	<u>7,749,939</u>
Deferred outflows of resources	<u>296,582</u>	<u>321,034</u>
Current liabilities	987,777	877,091
Noncurrent liabilities	<u>2,774,408</u>	<u>3,480,278</u>
Total liabilities	<u>3,762,185</u>	<u>4,357,369</u>
Deferred inflows of resources	<u>66,402</u>	<u>83,384</u>
Net position:		
Net investment in capital assets	288,864	576,756
Restricted	247,372	222,161
Unrestricted	<u>2,485,357</u>	<u>2,831,303</u>
Total net position	<u>\$3,021,593</u>	<u>\$3,630,220</u>

The School's total net position decreased \$608,627 during the year. The decrease in the School's net position indicates that the School had less incoming revenues than outgoing expenses during the year.

Total revenues for fiscal year 2024 were \$4,503,808, a decrease of \$1,038,617 when compared to fiscal year 2023. Revenues generated from government grants and district funding were \$4,361,916 during the year, a decrease of \$1,033,663 when compared to 2023. Contributions from individuals and organizations of \$117,969 decreased by \$12,213 during 2024 over 2023. Total expenses were \$5,112,435 in 2024, a decrease of \$322,513 due primarily to a decrease in staff during fiscal year 2024.

The decrease in net position of \$608,627 in 2024 is \$716,104 less than the increase in net position, of \$107,477 in 2023. Total revenue decreased by approximately 19% and expenses decreased approximately 6% in 2024.

STRIVE COLLEGIATE ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

A schedule of the School's revenues and expenses for the years ended June 30, 2024 and 2023, is as follows. The schedule is for the School as a whole, not for the governmental funds.

	<u>2024</u>	<u>2023</u>
Revenues:		
District funding and federal and state grants	\$4,361,916	\$5,395,579
Contributions	117,969	130,182
Other	<u>23,293</u>	<u>16,664</u>
Total revenues	<u>4,503,808</u>	<u>5,542,425</u>
Expenses:		
Employee compensation and benefits	2,169,173	2,436,217
Staff development	124,269	125,782
Instructional	184,619	201,777
Finance and accounting	112,811	114,805
Evaluation and testing	11,000	66,000
Occupancy	118,693	79,381
Professional and consulting	118,155	119,093
Communications	36,751	32,078
Depreciation and amortization	995,288	969,521
Food service	142,132	136,560
Student transportation	400,764	453,835
Contracts with service providers	361,056	317,155
Interest	188,238	220,514
Other expenses	<u>149,486</u>	<u>162,230</u>
Total expenses	<u>5,112,435</u>	<u>5,434,948</u>
 Change in net position	 <u>\$(608,627)</u>	 <u>\$ 107,477</u>

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The School's funds, as presented on the balance sheet on page 13, reported a fund balance of \$2,516,959. Due to different basis of accounting, there is a difference between the amounts reported under the School's General Purpose School Fund and the amounts reported as government wide. For the June 30, 2024 year end, the differences consist of capital assets, right-of-use lease assets, pension amounts, and right-of-use lease liabilities, which are not reported in the School's General Purpose School Fund.

STRIVE COLLEGIATE ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

ECONOMIC FACTORS

Significant economic factors affecting the School are as follows:

- The amount of State funding received per student for the year. The amount per student can fluctuate based on total funds available to the State and the number of students enrolled during the school year.
- The continued funding of other programs and grants.
- Inflationary pressure on utility rates, supplies, insurance and other costs.
- Local labor supply and demand, which can affect salary and wage rates.
- The ability of the School to attract and retain students as State funding is provided on a per student basis.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School. Questions concerning any of the information provided in this report may be addressed to the office of:

LaKendra Butler, Head of School
STRIVE Collegiate Academy, Inc.
3055 Lebanon Pike, Suite 2300
Nashville, Tennessee 37214
Telephone (615) 645-6440
Email: lakendra@strivecollegiate.org

STRIVE COLLEGIATE ACADEMY, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,476,003
Receivables	4,745
Prepays	88,653
Capital assets, net	3,736,825
Net pension asset	77,536
Restricted asset:	
TCRS Stabilization Reserve Trust	169,836
Total assets	6,553,598
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	296,582
LIABILITIES	
Accounts payable and accrued expenses	222,278
Right-to-use lease liability, due within one year	765,499
Right-to-use lease liability, due in more than one year	2,682,462
Net pension liability	91,946
Total liabilities	3,762,185
DEFERRED INFLOWS OF RESOURCES	
Pensions	66,402
Total Deferred Inflows of Resources	66,402
NET POSITION	
Net investment in capital assets	288,864
Restricted:	
Pensions	77,536
TCRS Stabilization Reserve Trust	169,836
Unrestricted	2,485,357
Total net position	\$ 3,021,593

See accompanying notes to financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

<u>GOVERNMENTAL ACTIVITIES:</u>	Functions		
	Total	Student Instruction and Services	Administration
EXPENSES			
Employee compensation and benefits	\$ 2,169,173	\$ 1,471,024	\$ 698,149
Staff development	124,269	118,394	5,875
Instructional	184,619	184,619	-
Finance and accounting	112,811	-	112,811
Evaluation and testing	11,000	11,000	-
Occupancy	118,693	13,857	104,836
Professional and consulting	118,155	-	118,155
Communications	36,751	-	36,751
Depreciation and amortization	995,288	775,419	219,869
Food service	142,132	142,132	-
Student transportation	400,764	400,764	-
Contracts with service providers	361,056	361,056	-
Interest	188,238	188,238	-
Other operating	149,486	38,931	110,555
Total expenses	5,112,435	3,705,434	1,407,001
PROGRAM REVENUES			
Operating grants and contributions	1,074,699	1,074,699	-
Capital grants and contributions	3,181	3,181	-
Net program expenses	4,034,555	\$ 2,627,554	\$ 1,407,001
GENERAL REVENUES			
District funding	3,284,036		
Contributions	117,969		
Other income	23,923		
Total general revenues	3,425,928		
CHANGE IN NET POSITION	(608,627)		
NET POSITION, June 30, 2023	3,630,220		
NET POSITION, June 30, 2024	\$ 3,021,593		

See accompanying notes to financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Purpose School Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 2,476,003	\$ 2,476,003
Receivables	4,745	4,745
Prepays	88,653	88,653
Restricted asset:		
TCRS Stabilization Reserve Trust	169,836	169,836
Total assets	\$ 2,739,237	\$ 2,739,237
LIABILITIES		
Accounts payable and accrued expenses	\$ 222,278	\$ 222,278
Total liabilities	222,278	222,278
FUND BALANCES		
Nonspendable	88,653	88,653
Restricted:		
TCRS Stabilization Reserve Trust	169,836	169,836
Internal School Funds	-	-
Unassigned	2,258,470	2,258,470
Total fund balances	2,516,959	2,516,959
Total liabilities and fund balances	\$ 2,739,237	\$ 2,739,237

See accompanying notes to financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS - CONTINUED
JUNE 30, 2024

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION:

Total governmental fund balances	\$ 2,516,959
Capital assets not reported in the governmental funds balance sheet	3,736,825
Pension amounts not reported in the governmental funds balance sheet:	
Net pension asset	77,536
Net pension liability	(91,946)
Deferred outflows of resources for pensions	296,582
Deferred inflows of resources for pensions	(66,402)
Right-to-use lease liability not reported in the governmental funds balance sheet	<u>(3,447,961)</u>
Net position of governmental activities in the statement of net position	<u>\$ 3,021,593</u>

See accompanying notes to financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Purpose School Fund	Total Governmental Funds
REVENUES		
Contributions	\$ 117,969	\$ 117,969
District funding	3,284,036	3,284,036
Federal and state grants	1,077,880	1,077,880
Other income	6,285	6,285
Other income - internal school funds	17,638	17,638
Total revenues	4,503,808	4,503,808
EXPENDITURES		
Current:		
Employee compensation & benefits	2,136,876	2,136,876
Staff development	124,269	124,269
Instructional	184,619	184,619
Finance and accounting	112,811	112,811
Evaluation and testing	11,000	11,000
Occupancy	118,693	118,693
Professional and consulting	118,155	118,155
Communications	36,751	36,751
Food service	142,132	142,132
Student transportation	400,764	400,764
Contracts with service providers	361,056	361,056
Other operating	131,848	131,848
Other - internal school funds	17,638	17,638
Right-to-use lease liability:		
Principal payments	706,172	706,172
Interest	188,238	188,238
Capital outlay	43,098	43,098
Total expenditures	4,834,120	4,834,120
OTHER FINANCING SOURCES		
Proceeds from leases	41,874	41,874
NET CHANGE IN FUND BALANCES	(288,438)	(288,438)
FUND BALANCES, June 30, 2023	2,805,397	2,805,397
FUND BALANCES, June 30, 2024	\$ 2,516,959	\$ 2,516,959

See accompanying notes to financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - CONTINUED
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES:

Net change in fund balances as reported in the governmental funds statements	\$ (288,438)
Amounts reported as expenditures in the governmental funds not included as expenses in the school-wide statements:	
Capital outlay	43,098
Issuance of debt recorded as revenue in the governmental funds, but reflected as long-term debt in the school-wide statements:	
Proceeds from leases	(41,874)
Principal payments on right-to-use lease liabilities recorded as expense in the governmental funds, but reflected as right-to-use lease liabilities in the school-wide statements:	
Principal payments of right-to-use lease liabilities	706,172
Expenses in the school-wide statements not included in the governmental funds:	
Depreciation and amortization expense	(995,288)
Expenditures for pensions in the governmental funds consist of contributions made, whereas in the government-wide statement, pension expense is calculated in accordance with GASB No. 68	
	<u>(32,297)</u>
Change in net position of governmental activities	<u>\$ (608,627)</u>

See accompanying notes to financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

STRIVE Collegiate Academy, Inc. (the “School”) is a not for profit organization organized under the laws of the State of Tennessee, with an exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Pursuant to Section 6(1)(a) of the Tennessee Public Charter School Act of 2002 (the “Act”), the School has been approved as a public charter school. Pursuant to the Act, public charter schools are part of the State’s public education program offering an alternative means with the public school system for accomplishing necessary outcomes of education. The School entered into a Charter School Agreement with the Metropolitan Nashville Board of Education on August 22, 2014 to operate a charter school in Nashville, Tennessee. Pursuant to the School’s charter agreement, enrollment in the School is open to any student within Davidson County, Tennessee.

Basic Financial Statements

School-wide financial statements

The school-wide financial statements focus on the sustainability of the School as an entity and the change in the School’s net position resulting from the current period’s activities. In the school-wide statement of net position, amounts are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as any long-term debt and obligations. The statement of net position presents the financial condition of the School at period end.

When applicable, the School’s net position is reported in three categories: net investment in capital assets; net position - restricted; and net position - unrestricted. When both restricted and unrestricted resources are available for use, it is the School’s policy to use restricted resources first, and then unrestricted resources as they are needed.

The school-wide statement of activities reports both the gross and net cost of the School’s functions. The functions are also supported by general government revenues (general revenues are primarily made up of district Tennessee Investment of Student Achievement (“TISA”) funding and donations to the General Purpose School Fund). The statement of activities reduces gross expenses by related function revenues, including operating grants and contributions and capital grants and contributions. Program revenues must be directly associated with the function. The net costs by function are normally covered by general revenue.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund financial statements

The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures.

The emphasis in fund financial statements is on the major funds. When applicable, nonmajor funds by category are summarized in a single column. Governmental Accounting Standards Board (“GASB”) Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis for State and Local Governments*, sets forth minimum criteria for the determination of major funds. The School reports the following major governmental fund:

The General Purpose School Fund is the School’s primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund, if any.

The focus of the governmental funds is upon the determination of financial resources, their balance, sources and use, rather than upon net income. The School classifies governmental fund balances as nonspendable, restricted, committed, assigned and unassigned based on the level of constraints on the fund balances. When an expenditure is incurred in which both restricted and unrestricted funds are available for use, it is the School’s policy to spend restricted funds first, then unrestricted funds. When an expenditure has been incurred for purposes in which multiple categories of unrestricted funds are available, it is the School’s policy to spend funds in the following order: committed, then assigned, and lastly unassigned funds. The classifications of fund balances are defined as follows:

Nonspendable - This classification consists of fund balances that cannot be spent because they are either not in spendable form, for example, noncash amounts that are not expected to be converted to cash, or the funds are legally or contractually required to be maintained intact.

Restricted - This classification consists of fund balances with external constraints on use imposed by creditors (such as through debt covenants), contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Committed - This classification consists of fund balances that can only be used for specific purposes established by formal action of the School's Board of Directors, its highest level of decision making authority. Such commitments should include contractual obligations of fund assets. Fund balance commitments can only be removed by the same process of the same body employed to previously commit those amounts.

Assigned - This classification consists of all fund balances that are not in the General Purpose School Fund or classified as nonspendable, restricted or committed. In addition, General Purpose School Fund balances that the School intends to use for specific purposes are also classified as assigned. The School gives the authority to assign amounts to specific purposes to the School's accountant and personnel under the supervision of the accountant tasked with financial recording responsibilities.

Unassigned - This classification consists of all fund balances in the General Purpose School Fund that are not reported as nonspendable, restricted, committed or assigned.

Basis of Accounting

The School's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB. The School is considered a special purpose governmental entity engaged in governmental type activities and is not a component unit of another governmental entity. Therefore, the financial statements are prepared in the same manner as general purpose governments.

The School's basic financial statements include both school-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). The School's primary activities are all considered to be governmental activities and are classified as such in the school-wide and fund financial statements.

The school-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Revenues under the modified accrual basis are recognized when measurable and available and expenditures are recognized when the related liability is incurred. "Available" means collectible within the current period or within 60 days after the end of the period.

Since the governmental funds financial statements are presented on a different basis than the school-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to convert the fund financial statements into the school-wide financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the useful lives of property and equipment.

Cash and Cash Equivalents

The School considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. As of June 30, 2024, the School's cash and cash equivalents were deposited with a financial institution. The School may, from time to time, maintain deposit balances in excess of federally insured limits. See Note B.

Receivables

Receivables represent amounts due from grants or funding which have been approved but not received or amounts due from others. All receivables are reported at estimated collectible amounts.

Capital Assets

On the school-wide financial statements, property and equipment are recorded at acquisition cost, if purchased, or the fair value on the date received, if donated. The cost of routine maintenance and repairs is expensed as incurred. Initial individual expenditures generally exceeding \$5,000, which materially extend the economic lives, change capacities or improve the efficiency of the related assets are capitalized. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is included in the statement of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 10 years. Leasehold improvements are depreciated over the life of the lease or estimated useful life, whichever is shorter.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the respective governmental fund upon acquisition.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases

The School determines whether an arrangement is or contains a lease at lease inception. On the commencement date, leases are recorded as ROU assets and lease liabilities in the statements of net position. ROU assets represent the School's right to use leased assets over the term of the lease, and are included with capital assets in Note C. Lease liabilities represent the School's contractual obligation to make lease payments over the lease term.

The lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is determinable, or the School's incremental borrowing rate if the implicit rate is not determinable. ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense, an outflow of resources, is recognized on a straight-line basis over the lease term. The School has elected not to recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in lease expense in the statements of revenues, expenditures, and changes in net position.

ROU assets are assessed for impairment in accordance with the School's capital asset policy. Management reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with GASB No. 87. The School's leases are described in Note D.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School reports the following deferred outflow of resources relating to the pensions: Contributions made subsequent to the pension measurement date, difference between expected and actual experience, difference between projected and actual investment earnings, changes in assumptions, and changes in proportion of the net pension liability.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The School reports the following deferred inflow of resources relating to pensions: Differences between expected and actual experience, differences between projected and actual investment earnings, and changes in proportion of net pension liability.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The School is a not-for-profit school that is exempt from federal income taxes under the Internal Revenue Code, classified by the Internal Revenue Service as other than a private foundation and is similarly exempt from state income taxes. The School accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for the School include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, the School has determined that such tax positions do not result in an uncertainty requiring recognition.

Grants

The School receives awards and financial assistance through federal, state, local and private agencies. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Purpose School Fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School.

Fair Value of Financial Instruments

The carrying value of cash equivalents, receivables, accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

Commitments, Contingencies, and Risk Management

The School is exposed to various risk of loss relating to torts, theft of, damage to, and destruction of assets; errors or omissions; illness or injuries to employees; and natural disasters. The School carries insurance for certain risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School may become subject to various claims and legal actions, which arise in the ordinary course of business. In the opinion of management, in consultation with legal counsel, the ultimate resolution of such matters will not have a material adverse effect on the School's financial position or results of operations, as of the date of these financial statements.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Continuing Activities

The School is dependent on certain significant contracts and grants for its continued operations. These contracts and grants are from state, local and other sources and are subject to the School's ability to fulfill the contract and grant requirements. Additionally, the School's receipt of such contracts and grants may also be contingent upon its ability to maintain certain financial condition, cash flows, level of operations, payment of liabilities, and test scores and academic standards. If a grantor agency finds that the School is not meeting these requirements, the agency may not provide continuing funding, which would have a material adverse impact on the School's ability to continue its operations.

Newly Adopted Accounting Pronouncements

The School implemented the following Governmental Accounting Standards Board (GASB) statements during fiscal year 2024:

GASB Statement No. 100, *Accounting for Changes and Error Corrections*, was issued in June 2022. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation did not have an effect on the School's financial statements for fiscal year 2024.

B. DEPOSITS WITH FINANCIAL INSTITUTIONS

The School's policies limit deposits to those instruments allowed by applicable state laws. Deposits must be collateralized by federal depository insurance, by the Tennessee Bank Collateral Pool, by collateral held by the School's agent in their name, or by the Federal Reserve Banks acting as third party agents. State statute requires that all uninsured deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the average daily balance of public deposits held. As of June 30, 2024, all bank deposits were fully collateralized or insured by institutions insured by the FDIC or with banks who participate in the Tennessee Bank Collateral Pool.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

C. CAPITAL ASSETS

Capital assets activity for governmental activities for the period was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions/</u> <u>Transfers in</u>	<u>Retirements/</u> <u>Transfers out</u>	<u>Balance</u> <u>June 30, 2024</u>
<i>Nondepreciable:</i>				
Construction in progress	\$ 11,997	\$ -	\$ -	\$ 11,997
<i>Depreciable:</i>				
Leasehold improvements	1,114,134	1,224	-	1,115,358
Equipment	430,022	-	-	430,022
Furniture and fixtures	161,553	-	-	161,553
Right to use lease -				
Building	5,352,834	-	-	5,352,834
Equipment	<u>17,939</u>	<u>41,874</u>	<u>-</u>	<u>59,813</u>
Total depreciable capital assets	7,076,482	43,098	-	7,119,580
Accumulated depreciation	(864,103)	(219,869)	-	(1,083,972)
Accumulated amortization	<u>(1,535,361)</u>	<u>(775,419)</u>	<u>-</u>	<u>(2,310,780)</u>
Total	<u>(2,399,464)</u>	<u>(995,288)</u>	<u>-</u>	<u>(3,394,752)</u>
Capital assets, net	<u>\$ 4,689,015</u>	<u>\$(952,190)</u>	<u>\$ -</u>	<u>\$ 3,736,825</u>

Depreciation and amortization was charged to governmental activities as follows:

Student instruction and services	\$775,419
Administration	<u>219,869</u>
	<u>\$995,288</u>

D. LEASE ARRANGEMENTS

The facilities used to provide educational services for the middle school campus are provided under a lease arrangement. The lease is for an eleven-year period ending on June 30, 2028. The interest rate on the lease is the School's incremental borrowing rate of 5.0%.

The School also leases certain office equipment. The leases are for 63-month periods ending on December 31, 2026 and October 25, 2028. The interest rate on the leases is the School's incremental borrowing rate.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

D. LEASE ARRANGEMENTS - Continued

The components of lease expense for the year ended June 30, 2024 is as follows:

	<u>Year Ending June 30, 2024</u>
Lease Expense	
Amortization expense by class of underlying assets	
Building	\$764,691
Equipment	<u>10,728</u>
Total amortization expense	775,419
Interest on lease liabilities	<u>188,238</u>
Total	<u><u>\$988,622</u></u>

	Beginning of Year	Additions	Modifications and Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Lease Liabilities	<u>\$4,112,259</u>	<u>\$41,874</u>	<u>\$ -</u>	<u>\$(706,172)</u>	<u>\$3,447,961</u>	<u>\$765,499</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 765,499	\$154,696	\$ 920,195
2026	827,803	115,083	942,886
2027	891,903	72,293	964,196
2028	959,830	26,264	986,094
2029	<u>2,926</u>	<u>24</u>	<u>2,950</u>
	<u><u>\$3,447,961</u></u>	<u><u>\$368,360</u></u>	<u><u>\$3,816,321</u></u>

E. FUND BALANCES

The General Purpose School Fund includes fund balance amounts presented as nonspendable totaling \$88,653 as they are not in spendable form, and amounts presented as restricted totaling \$169,836 as they are restricted by law, related to the TCRS Stabilization Reserve Trust (See Note H).

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

F. CONCENTRATIONS

The School received approximately 73% of its funding for operations from MNPS based on the Tennessee Investment of Student Achievement (“TISA”). TISA funding is designated to schools based on student attendance. Gross TISA funding for the year ended June 30, 2024, was \$3,284,036. Outside fundraising for capital needs is on-going since the charter school agreement with MNPS does not include an allocation for capital expenditures.

G. PENSION PLANS

The School, similar to MNPS and all Tennessee Public Charter Schools in the MNPS System, participates in the following three defined benefit pension plans (collectively the “Pension Plans”):

Certificated Employees

Tennessee Consolidated Retirement System (“TCRS”):

Teacher Legacy Pension Plan

Teacher Retirement Plan (collectively the “TCRS Plans”)

Non-Certificated Employees

Metropolitan Government of Nashville and Davidson County, Tennessee
(the “Metropolitan Government”):

Metro Pension Plan of the Metropolitan Employees Benefit Trust
(the “Metro Plan”)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS and the Metropolitan Government. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Pension Plans. Investments are reported at fair value.

(I.) TCRS Plans

(A) General Information - TCRS Plans

Description of the TCRS Plans

The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

Teachers employed by the School with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014 but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly.

Teacher Legacy Pension Plan

Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Teacher Retirement Plan

Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly (or by automatic cost controls set out in law for the Teacher Retirement Plan). Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted.

Teacher Legacy Pension Plan

Employer contributions by the School for the year ended June 30, 2024 to the Teacher Legacy Pension Plan were \$9,618 which is 6.81 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Teacher Retirement Plan

Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, as approved by the TCRS Board of Trustees, is reached. Employer contributions by the School for the year ended June 30, 2024 to the Teacher Retirement Plan were \$30,499 which is 2.95 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

(B) Pension Liabilities (Assets) - TCRS Plans

Pension Liability (Asset)

Teacher Legacy Pension Plan

At June 30, 2024, the School reported an asset of \$(50,420) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability (asset) was based on the School's contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the School's proportion was 0.004277 percent. The proportion measured as of June 30, 2022, was 0.003875 percent.

Teacher Retirement Plan

At June 30, 2024, the School reported an asset of \$(27,116) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. The School's proportion of the net pension liability (asset) was based on the School's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the School's proportion was 0.063948 percent. The proportion measured as of June 30, 2022 was 0.100292 percent.

Actuarial Assumptions

Teacher Legacy Pension Plan and Teacher Retirement Plan

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of living adjustment	2.125 percent

Mortality rates are customized based on actuarial experience including an adjustment for some anticipated improvement.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

Discount Rate

Teacher Legacy Pension Plan and Teacher Retirement Plan

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(II.) Metro Plan

(A) General Information - Metro Plan

Plan Description

The Metro Plan is established under the authority of the Metropolitan Charter, Article XIII. Approval of the Metropolitan Council is required to establish and amend benefit provisions. Article XIII also required that the pension plan be actuarially sound. Administrative costs of the plan are financed through plan assets. The plan is managed by the Metropolitan Employee Benefit Board, an independent board, created by the Metropolitan Charter. The Board is composed of ten members as follows: Finance Director, Human Resources Director, three members appointed by the Mayor, and five members selected by the employees and retirees of the Metropolitan Government. Additional information about the Metro Plan can be found in the publicly available comprehensive annual financial report of the Metropolitan Government. That report may be obtained at www.nashville.gov.

Benefits Provided

As of July 1, 1995, Division B of the Metro Plan was established for all non-certificated employees of the Metropolitan Nashville Public Schools, including charter schools, and all other Metro Government employees. Employees with an effective hire date of July 1, 1995, or later are only eligible to participate in Division B of the Metro Plan.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

Normal retirement for the School's employees participating in the Metro Plan occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus the completed years of credited service equals 85, but not before age 60; or (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime monthly benefit is calculated as 1/12 of the sum of 1.75 percent of average earnings based upon the previous 60 consecutive months of credit service which produce the highest earnings. Benefits fully vest on completing 5 years of service for employees employed on or between October 1, 2001, and December 31, 2012, who vest before leaving employment. Benefits fully vest on completing 10 years of service for employees and non-vested employees hired or rehired on or after January 1, 2013. An early retirement option, with reduced benefits, is available for retired employees if the termination occurs prior to the eligibility under normal retirement but after age 50 and after the completion of 10 years of credited employee service.

All assets of the Metropolitan Employees' Benefit Trust Fund may legally be used to pay benefit to any plan members or beneficiaries.

Contributions

The funding policy is to provide for periodic contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. All funding is provided under an actuarially recommended employee contribution rate of 12.445 percent for the non-certificated employees of the Metropolitan Nashville Public Schools, including charter schools, and all other Metropolitan Government Employees. Contributions to the plan for the year ended June 30, 2024 were \$47,099.

(B) Pension Liability - Metro Plan

Pension Liability

The School reported a liability of \$91,946 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2024. The School's proportion of the net pension liability (asset) was based on the School's share of contributions to the pension plan during the year ended June 30, 2024 relative to all contributions for 2024. At the measurement date of June 30, 2024, the School's proportionate share was 0.041412 percent. The proportion measured as of June 30, 2023 was 0.043072 percent.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2023. Actuarial assumptions are summarized below:

Inflation	2.5 percent
Salary increases	4.4 percent
Investment rate of return	7.0 percent, net of pension plan investment expenses, including inflation
Cost-of living adjustment	1.25 percent

Mortality rates were based on the 112% RP-2014 Blue Collar Table (projected to 2023 using Scale MP-21), as determined by the period actuarial experience study. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period 2017 to 2022.

The long-term expected rate of return on pension plan investments was established in conjunction with the most recent actuarial experience study completed February 7, 2023, by considering the following three techniques: (1) the 20-year historical return of the Metro Open Plan at June 30, 2022, (2) the historical market returns of asset classes from 1926 to 2022, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of 2.5 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.5%	24%
International equity	5.0%	16%
Equity hedge	7.2%	10%
Core plus fixed income	2.4%	20%
Fixed income alternatives	3.9%	10%
Real estate	3.7%	10%
Private equity	7.2%	10%

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. Based on the Metro Plan assumptions and funding policy, the fiduciary net position for the plan was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

(III.) Pension Liabilities (Assets), Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Pension Plans

Pension Liabilities (Assets)

The School reports the following net pension liability (asset) as of June 30, 2024:

TCRS Legacy Plan	\$(50,420)
TCRS Retirement Plan	<u>(27,116)</u>
Net pension asset	<u>\$(77,536)</u>
 Metro Plan	 <u>\$ 91,946</u>
Net pension liability	<u>\$ 91,946</u>

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate

The following presents the School's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent for the TCRS Plans and 7.00 percent for the Metro Plan, as well as what the School's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent for the TCRS Plans and 6.00 percent for the Metro Plan) or 1-percentage-point higher (7.75 percent for the TCRS Plans and 8.00 percent for the Metro Plan) than the current rate:

	<u>1% Decrease (5.75)%</u>	<u>Current Discount Rate (6.75)%</u>	<u>1% Increase (7.75)%</u>
Proportionate share of the net pension liability (asset):			
TCRS Legacy Plan	\$109,819	\$(50,420)	\$(183,694)
TCRS Retirement Plan	124,734	(27,116)	(136,436)

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

	<u>1% Decrease (6.00)%</u>	<u>Current Discount Rate (7.00)%</u>	<u>1% Increase (8.00)%</u>
Metro Plan	<u>\$314,157</u>	<u>\$91,946</u>	<u>\$(94,311)</u>
Total	<u>\$548,710</u>	<u>\$14,410</u>	<u>\$(414,441)</u>

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plans' respective fiduciary net position is available in a separately issued TCRS and Metropolitan Government financial reports.

Pension Expense

For the year ended June 30, 2024, the School recognized pension expense (negative pension expense) as follows:

TCRS Legacy Plan	\$(6,238)
TCRS Retirement Plan	4,507
Metro Plan	<u>34,028</u>
Pension expense	<u>\$ 32,297</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2024, 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		
TCRS Legacy Plan	\$ 12,013	\$ 2,340
TCRS Retirement Plan	913	15,827
Metro Plan	61,860	2,574
Changes in assumptions		
TCRS Legacy Plan	16,428	-
TCRS Retirement Plan	20,401	-
Metro Plan	51,371	-

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments		
TCRS Legacy Plan	8,748	-
TCRS Retirement Plan	6,894	-
Metro Plan	-	9,071
Changes in proportion of net pension liability (asset)		
TCRS Legacy Plan	1,029	24,878
TCRS Retirement Plan	23,698	9,277
Metro Plan	53,110	2,435
Contributions subsequent to the measurement date of June 30, 2023 for TCRS Plans		
TCRS Legacy Plan	9,618	N/A
TCRS Retirement Plan	<u>30,499</u>	<u>N/A</u>
Totals	<u>\$296,582</u>	<u>\$66,402</u>

The School's employer contributions of \$40,117 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>TCRS Legacy Plan</u>	<u>TCRS Retirement Plan</u>	<u>Metro Plan</u>	<u>Total</u>
Year Ending June 30,				
2025	\$ 1,526	\$ 1,256	\$ 5,509	\$ 8,291
2026	(18,415)	252	78,371	60,208
2027	27,820	10,888	50,888	89,596
2028	69	1,871	14,197	16,137
2029	-	1,913	3,296	5,209
Thereafter	-	10,622	-	10,622

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

G. PENSION PLANS - Continued

Payable to the Pension Plans

At June 30, 2024, the School reported a payable for the outstanding amounts of required contributions to the Pension Plans as follows:

TCRS Legacy Plan	\$ 1,974
TCRS Retirement Plan	8,900
Metro Plan	<u>16,639</u>
Payable to the Pension Plans	<u>\$27,513</u>

Defined Contribution Plan

The TCRS Retirement Plan has a defined contribution component to the plan. Under the terms of the Plan for the defined contribution component, employees contribute 2% of their salaries to the plan, but are allowed an opt out feature. The School is required to contribute 5% of annual salaries to an individual employee account. Employees are immediately vested in the plan. For the year ended June 30, 2024, the School recognized pension expense of \$51,562 related to the defined contribution component of the Plan. At June 30, 2024, the School reported a payable of \$3,900 for the outstanding amount of contributions related to the defined contribution component of the Plan.

H. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST

Legal Provisions

The School is a member of the Tennessee Consolidated Retirement System (“TCRS”) Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (“TCA”), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the School.

The Trust is authorized to make investments as directed by the TCRS Board of Trustees. The School may not impose any restrictions on investments placed by the trust on their behalf.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

H. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

Investment Balances

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (“TRGT”). The TRGT is not registered with the Securities and Exchange Commission (“SEC”) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool’s underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of the investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2024, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

H. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table on the next page.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes, and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

H. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

At June 30, 2024, the School's asset balance was \$169,836 and had the following investments held by the trust on its behalf:

<u>Investment</u>	Weighted Average Maturity (days)	<u>Maturities</u>	<u>Fair Value</u>
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 52,650
Developed Market International Equity	N/A	N/A	23,777
Emerging Market International Equity	N/A	N/A	6,793
U.S. Fixed Income	N/A	N/A	33,967
Real Estate	N/A	N/A	16,984
Short-term Securities	N/A	N/A	1,698
NAV-Private Equity and Strategic Lending	N/A	N/A	<u>33,967</u>
Total			<u>\$169,836</u>

<u>Investment by Fair Value Level</u>	<u>Fair Value June 30, 2024</u>	<u>Fair Value Measurements Using</u>			<u>NAV</u>
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
U.S. Equity	\$ 52,650	\$52,650	\$ -	\$ -	\$ -
Developed Market International Equity	23,777	23,777	-	-	-
Emerging Market International Equity	6,793	6,793	-	-	-
U.S. Fixed Income	33,967	-	33,967	-	-
Real Estate	16,984	-	-	16,984	-
Short-term Securities	1,698	-	1,698	-	-
Private Equity and Strategic Lending	<u>33,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,967</u>
Total	<u>\$169,836</u>	<u>\$83,220</u>	<u>\$35,665</u>	<u>\$16,984</u>	<u>\$33,967</u>

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

H. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

Risks and Uncertainties

The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds, and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. The School places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the School to pay retirement benefits of the School's employees.

For further information concerning the School's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

STRIVE COLLEGIATE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

I. SUBSEQUENT EVENTS

The School has evaluated subsequent events through December 29, 2024, the date at which the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

STRIVE COLLEGIATE ACADEMY INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
FISCAL YEAR ENDED JUNE 30,

<u>Teacher Legacy Plan of TCRS</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Proportion of the net pension liability (asset)	0.000942%	0.001610%	0.002400%	0.003982%	0.002254%	0.001635%	0.003875%	0.004277%
Proportionate share of the of the net pension liability (asset)	\$ 5,886	\$ (527)	\$ (8,445)	\$ (40,947)	\$ (17,191)	\$ (70,526)	\$ (47,534)	\$ (50,420)
Covered payroll	\$ 34,000	\$ 56,900	\$ 84,038	\$ 133,537	\$ 75,028	\$ 53,667	\$ 127,525	\$ 138,779
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.31%	-0.93%	-10.05%	-30.66%	-22.91%	-131.41%	-37.27%	-36.33%
Plan fiduciary net position as a percentage of the total pension liability	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%
<u>Teacher Retirement Plan of TCRS</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Proportion of the net pension liability (asset)	0.072839%	0.093235%	0.083222%	0.095862%	0.096758%	0.105532%	0.100292%	0.063948%
Proportionate share of the of the net pension liability (asset)	\$ (7,583)	\$ (24,599)	\$ (37,744)	\$ (54,113)	\$ (55,021)	\$ (114,314)	\$ (30,381)	\$ (27,116)
Covered payroll	\$ 32,493	\$ 611,945	\$ 727,270	\$ 1,014,428	\$ 1,220,991	\$ 1,523,076	\$ 1,712,677	\$ 1,271,960
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-23.34%	-4.02%	-5.19%	-5.33%	-4.51%	-7.51%	-1.77%	-2.13%
Plan fiduciary net position as a percentage of the total pension liability	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

See independent auditor's report.

STRIVE COLLEGIATE ACADEMY INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET) - Continued
FISCAL YEAR ENDED JUNE 30,

<u>Metro Plan</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Proportion of the net pension liability (asset)	0.00000%	0.02000%	0.02000%	0.02000%	0.06000%	0.06000%	0.04307%	0.04141%
Proportionate share of the of the net pension liability (asset)	\$ -	\$ 18,001	\$ 17,541	\$ 65,443	\$ (370,060)	\$ (101,374)	\$ 67,498	\$ 91,946
Covered payroll	\$ -	\$ 94,652	\$ 89,632	\$ 192,366	\$ 455,835	\$ 432,261	\$ 361,904	\$ 378,457
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	19.02%	19.57%	34.02%	-81.18%	-23.45%	18.65%	24.29%
Plan fiduciary net position as a percentage of the total pension liability	98.64%	97.45%	96.37%	93.79%	115.75%	104.35%	96.20%	94.94%

The amounts presented in this schedule were determined as of the measurement date.

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed. Information for the Metro Plan is not available for 2017.

See independent auditor's report.

STRIVE COLLEGIATE ACADEMY INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FISCAL YEAR ENDING JUNE 30,

<u>Teacher Legacy Pension Plan of TCRS</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 3,074	\$ 5,144	\$ 7,631	\$ 13,807	\$ 7,976	\$ 5,512	\$ 13,135	\$ 12,060	\$ 9,618
Contributions in relation to the contractually required contribution	3,074	5,144	7,631	13,807	7,976	5,512	13,135	12,060	9,618
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 34,004	\$ 56,903	\$ 91,360	\$ 111,258	\$ 75,034	\$ 53,670	\$ 127,524	\$ 138,779	\$ 141,233
Contributions as a percentage of covered payroll	9.04%	9.04%	9.04%	9.04%	10.63%	10.27%	10.30%	8.69%	6.81%
<u>Teacher Retirement Plan of TCRS</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 8,023	\$ 24,477	\$ 29,091	\$ 40,113	\$ 24,787	\$ 30,766	\$ 34,425	\$ 36,505	\$ 30,499
Contributions in relation to the contractually required contribution	1,280	24,477	29,091	40,113	24,567	30,766	34,425	36,505	30,499
Contribution deficiency (excess)	\$ 6,743	\$ -	\$ -	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 32,000	\$ 611,925	\$ 727,275	\$ 1,002,825	\$ 1,210,197	\$ 1,479,135	\$ 1,712,687	\$ 1,271,960	\$ 1,033,864
Contributions as a percentage of covered payroll (CRC)	4.00%	4.00%	4.00%	4.00%	2.03%	2.08%	2.01%	2.87%	2.95%
Contributions as a percentage of covered payroll (SRT)	N/A	N/A	N/A	N/A	1.97%	1.92%	1.99%	1.13%	1.05%
<u>Metro Plan</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially Determined Contributions (ADC)	N/A	N/A	\$ 11,680	\$ 11,060	\$ 23,738	\$ 56,250	\$ 55,680	\$ 45,039	\$ 47,099
Contributions in relation to the actuarially determined contribution	N/A	N/A	11,680	11,060	23,738	56,250	55,680	45,039	47,099
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ 94,652	\$ 89,627	\$ 192,366	\$ 455,835	\$ 432,265	\$ 361,904	\$ 378,457
Contributions as a percentage of covered payroll	0.000%	0.000%	12.340%	12.340%	12.340%	12.340%	12.881%	12.445%	12.445%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed. Information for the Metro Plan is not available for 2016 and 2017.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions. See independent auditor's report.

SUPPLEMENTARY INFORMATION

STRIVE COLLEGIATE ACADEMY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

<u>Program Name/Grantor</u>	<u>Assistance Listing Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Federal Awards</u>			
U.S. DEPARTMENT OF AGRICULTURE:			
Passed through Tennessee Department of Education			
Child Nutrition Cluster			
School Lunch Program	10.555	N/A	\$ 89,087
Supply Chain Assistance Grant	10.555	N/A	10,895
School Breakfast Program	10.553	N/A	29,590
Total Child Nutrition Cluster			129,572
Pandemic EBT Administrative Costs Grant	10.649	N/A	653
Total U.S. Department of Agriculture			130,225
Total Federal Awards			130,225
<u>State Financial Assistance</u>			
TENNESSEE DEPARTMENT OF EDUCATION:			
Public School Security Grant	N/A	N/A	3,181
Child Nutrition State Match	N/A	N/A	1,187
Passed through Metropolitan Nashville Public Schools			
Tennessee Investment of Student Achievement (TISA)	N/A	N/A	3,284,036
Total State Awards			3,288,404
Total Federal and State Awards			\$ 3,418,629

Note 1: The schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity and is presented in accordance with the requirements of the State of Tennessee. The schedule is prepared using the accrual basis of accounting.

Note 2: The School passed-through \$-0- to subrecipients for the year ended June 30, 2024.

Note 3: The School has elected not to use the 10-percent de minimum indirect cost rate.

See independent auditor's report.

STRIVE COLLEGIATE ACADEMY, INC.
SCHEDULE OF CHANGES IN LEASE OBLIGATIONS
JUNE 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2023	Issued During Period	Paid and/or Matured During Period	Remeasurements	Outstanding 6/30/2024
Governmental Activities:									
<u>LEASES PAYABLE</u>									
<u>Payable through General Purpose School Fund</u>									
Lease - Building	\$ 5,352,834	5.00%	07/01/2021	06/30/2028	\$ 4,099,838	\$ -	\$ (696,148)	\$ -	\$ 3,403,690
Lease - Equipment	17,939	5.00%	10/01/2021	12/31/2026	12,421	-	(3,331)	-	9,090
Lease - Equipment	41,874	4.00%	07/25/2023	10/25/2028	-	41,874	(6,693)	-	35,181
Total Leases Payable					<u>\$ 4,112,259</u>	<u>\$ 41,874</u>	<u>\$ (706,172)</u>	<u>\$ -</u>	<u>\$ 3,447,961</u>

See independent auditor's report.

STRIVE COLLEGIATE ACADEMY, INC.
SCHEDULE OF LEASE REQUIREMENTS BY YEAR
JUNE 30, 2024

Year Ending June 30	Leases		
	Principal	Interest	Total
2025	\$ 765,499	\$ 154,696	\$ 920,195
2026	827,803	115,083	942,886
2027	891,903	72,293	964,196
2028	959,830	26,264	986,094
2029	2,926	24	2,950
Total	<u>\$ 3,447,961</u>	<u>\$ 368,360</u>	<u>\$ 3,816,321</u>

See independent auditor's report.



Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

To the Board of Directors
STRIVE Collegiate Academy, Inc.
Antioch, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of STRIVE Collegiate Academy, Inc. (the "School"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) 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 the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 were not identified.



To the Board of Directors
STRIVE Collegiate Academy, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Nashville, Tennessee
December 29, 2024

STRIVE COLLEGIATE ACADEMY, INC.
SCHEDULE OF FINDINGS AND RESPONSES AND
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

None reported.

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior audit findings.