



Teach Las Vegas

TEACH LV Special Board Meeting

Published on November 1, 2022 at 12:45 PM PDT

Date and Time

Thursday November 3, 2022 at 5:00 PM PDT

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:00 PM
A. Call the Meeting to Order		Trishawn Allison	
B. Record Attendance		Beth Bulgeron	1 m
C. Public Comment		Trishawn Allison	5 m

Public Comment will be taken during this agenda item regarding any item appearing on the agenda. No action may be taken on a matter discussed under this item until the matter is included on an agenda as an item on which action may be taken. See NRS 241.020. A time limit of three (3) minutes, subject to the discretion of the Chair, will be imposed on public comments. The TEACH LV Chair may allow additional public comment at her discretion. Public Comment #2 will provide an opportunity for public comment on any matter not on the agenda.

II. CONSENT ITEMS 5:06 PM

Consent Items- Items under Consent Items will be voted on in one motion, unless a member of the Board request that an item be removed and voted on separately, in which case the Board Chair will determine when it will be balled and considered for action. Due to the set-up of Board On Track, approval of any board meeting minutes will be done throughout consent and listed as items B-Z (as needed) under Consent Items.

A. Approval of Board Agenda	Vote	Trishawn Allison	3 m
B. Approval of the Minutes of the October 25, 2022 Meeting	Vote	Trishawn Allison	2 m

	Purpose	Presenter	Time
III. ITEMS SCHEDULED FOR INFORMATION & POTENTIAL ACTION			5:11 PM
A. CAM Factoring Agreement	Vote	Matthew Brown	5 m
<p>Proposal to sell schedule state payments to TEACH (February - May) for immediate cash payments from CAM. \$500,000 funded by CAM on November 4th for sale of state receivable payments. Discount amount totals \$35,264.41. This cash should allow TEACH Las Vegas to make onetime payments on its financial obligations for the 22-23 fiscal year as currently forecasted.</p>			
B. Independent Auditor Report Update	Vote	Matthew Brown	5 m
C. Update- Required Board Training	FYI	Beth Bulgeron	2 m
IV. Closing Items			5:23 PM
A. Upcoming Meeting Date	FYI	Trishawn Allison	5 m
<p>The next regular Board Meeting is scheduled for December 13, 2022 at 5 pm.</p>			
B. Public Comment			5 m
C. Board Member Comments			5 m
D. Adjourn Meeting	Vote		

Coversheet

Approval of the Minutes of the October 25, 2022 Meeting

Section: II. CONSENT ITEMS
Item: B. Approval of the Minutes of the October 25, 2022 Meeting
Purpose: Vote
Submitted by:
Related Material: 2022_10_25_board_meeting_minutes.pdf

DRAFT



Teach Las Vegas

Minutes

TEACH LV Regular Board Meeting

Date and Time

Tuesday October 25, 2022 at 5:00 PM

Location

Join Zoom Meeting

<https://teachpublicschools-org.zoom.us/j/87541984916>

Meeting ID: 875 4198 4916

One tap mobile

+16694449171,,87541984916# US

+16699006833,,87541984916# US (San Jose)

Dial by your location

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 215 8782 US (Tacoma)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 931 3860 US

Meeting ID: 875 4198 4916

Find your local number: <https://teachpublicschools-org.zoom.us/u/kp0lQQrxE>

Directors Present

D. Horn (remote), J. Carver (remote), N. Sarisahin (remote), Q. Branch (remote), T. Allison (remote)

Directors Absent

C. Igeleke

Ex Officio Members Present

A. Moore

Non Voting Members Present

A. Moore

Guests Present

B. Bulgeron, E. Robles, L. Ramirez, M. Brown, R. Carranza, R. McNeel, Tricia Metzel

I. Opening Items

A. Call the Meeting to Order

T. Allison called a meeting of the board of directors of Teach Las Vegas to order on Tuesday Oct 25, 2022 at 5:00 PM.

B. Record Attendance

C. Public Comment

There was no public comment.

II. CONSENT ITEMS

A. Approval of Board Agenda

T. Allison made a motion to Approve the Board Agenda.

Q. Branch seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

J. Carver Abstain

Q. Branch Aye

D. Horn Absent

T. Allison Aye

N. Sarisahin Aye

C. Igeleke Absent

T. Allison made a motion to approve the minutes from September meeting TEACH Las Vegas. Regular Board Meeting on 09-20-22.

Q. Branch seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

D. Horn Aye

C. Igeleke Absent

Q. Branch Aye

N. Sarisahin Aye

T. Allison Aye

J. Carver Aye

B. Approve the Minutes of the September 20, 2022 Board Meeting

III. ITEMS SCHEDULED FOR INFORMATION & POTENTIAL ACTION

A. Fiscal Report

Richard McNeel gave the fiscal report and showed actual versus budgeted numbers. The board asked if the variance was due to enrollment and Rich explained that was a factor, but also the number of high needs students enrolled this year exceeds the number last year as well as the anticipated numbers. Board Member Sarisahin asked whether or not we have applied to the Charter Growth Fund. Matt explained we have not and discussed our grants with Opportunity 180 and the accounts receivable sale planned to cover the deficit. He reviewed with the board which expenses are covered through grants on a reimbursement basis and which ones are not.

B. Independent Auditor Report Update

Matt Brown provided the board with an update that the Auditor Report will be ready for them to review at a later date. This item will be on the next board agenda.

C. Revised Fiscal Policy

T. Allison made a motion to Approve the Revised Fiscal Policy as presented with the modification that the board will approve contracts and expenses over \$25,000, excluding expenditures covered by grant funds.

N. Sarisahin seconded the motion.

The board discussed having increased board oversight on spending until the school is in a more comfortable financial position.

The board **VOTED** to approve the motion.

Roll Call

N. Sarisahin	Aye
C. Igeleke	Absent
D. Horn	Aye
T. Allison	Aye
Q. Branch	Aye
J. Carver	Abstain

D. Facilities Planning Update

Matt Brown provided an update on facilities that included the financial and student recruitment forecast. The board discussed the pros and cons of delaying the ninth grade and filling the current building to capacity with 75-100 new students. The board concluded that waiting to expand to ninth grade was the best action to take at this time and supported the plan that Matt and Andrea discussed that included using the space creatively to accommodate more students in the current grade level.

E. Executive Director Report

Andrea Moore gave a detailed report on the highs and lows and the strategies to address problem areas. She discussed enrollment, the creation of a PTA, the focus of improved classroom management and behavior management through a book study. She explained the issues of inexperienced teachers and how the Mentoring and Induction Program was supporting teachers in the classroom. Ms. Moore and Ms. Metzler are providing after school tutoring and remediation to students who have learning gaps and those who are struggling academically.

F.

Academic Achievement Report

Tricia Metzel gave the academic report for the school. She showed several data points with comps when available. The NWEA scores from last year- beginning to end of year show an improved distribution. She shared the chronic absenteeism rate (10% of classes to date) as of October 25th compared to last year's rate at the end of the year. She also described the attendance triggers and responses provided by the school. The board asked several questions about chronic absenteeism and Metzel described some of the challenges facing families and a slow improvement in parent understanding of the critical importance of coming to school on time.

Metzel also explained how the Nevada Star rating is calculated and how the rating for TEACH LV was calculated using very limited data.

IV. Closing Items

A. Upcoming Meeting Date

The next Regular Board Meeting is scheduled for December 13, 2022 but a Special Board meeting will need to be scheduled for the first week of November.

B. Public Comment

There was no public comment.

C. Board Member Comments

No Board Member comments

D. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:05 PM.

Respectfully Submitted,
T. Allison

Coversheet

CAM Factoring Agreement

Section: III. ITEMS SCHEDULED FOR INFORMATION & POTENTIAL ACTION
Item: A. CAM Factoring Agreement
Purpose: Vote
Submitted by:
Related Material: Factoring Agreement TEACH Las Vegas November 7, 2022.pdf
Factoring Term Sheet TEACH Las Vegas October 24, 2022.pdf

FACTORING AGREEMENT

THIS FACTORING AGREEMENT (“**Agreement**”) is made and executed this November 7, 2022 (the “**Effective Date**”) by and between TEACH Las Vegas DBA TEACH Las Vegas Charter School, a Nevada nonprofit public benefit corporation (“**Seller**”) and **CHARTER ASSET MANAGEMENT FUND, L.P.**, a Delaware limited partnership (“**CAM**”).

RECITALS

A. CAM is in the business of factoring accounts and purchasing same, and Seller has requested that CAM purchase the Accounts set forth on Schedule 1 (the “**Accounts**”), pursuant to the terms of this Agreement.

B. CAM has agreed to purchase the Accounts subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **PURCHASE OF ACCOUNT.**

1.1 Appointment as Factor. Seller hereby appoints CAM to act as its sole and exclusive factor with respect to the Accounts. Seller hereby agrees to assign and sell and does hereby irrevocably sell and assign to CAM, and CAM hereby agrees to purchase the Accounts. For all purposes hereof, the term “Accounts” shall mean and include all amounts due pursuant to the Accounts, and all other forms of obligations owing to Seller arising from or out of the Accounts and all proceeds thereof.

1.2 Written Notice of Purchase and Assignment. Seller acknowledges that CAM shall have the right to notify the applicable account debtor of CAM’s rights with respect to the Accounts and direct account debtors to make payments of Accounts directly to CAM.

2. **PURCHASE PRICE; OTHER OBLIGATIONS.**

2.1 Calculation of Purchase Price. The purchase price (“**Purchase Price**”) which is the amount funded as set forth on Schedule 1 is calculated as set forth on Schedule 1. The Purchase Price shall mean for the purposes of this Agreement with respect to an Account, the gross face value of the Account as set forth on Schedule 1 (the “**Face Value**”) minus the Administrative Fees as set forth on Schedule 1 minus the Discount Rate as set forth on Schedule 1. Seller acknowledges that the Purchase Price of each Account reflects its fair value. CAM shall fund to Seller the Purchase Price upon compliance by Seller with each of the terms and conditions of this Agreement.

2.2 **Conditions Precedent for Payment of the Purchase Price.** CAM shall have no obligation to pay the Purchase Price to Seller until each of the following obligations has been satisfied:

- (a) this Agreement has been fully executed and delivered by Seller;
- (b) the Security Agreement referenced in Section 5.1 hereof, and the security interest granted in the collateral therein, shall be in full force and effect;
- (c) Seller has delivered to CAM an appropriate resolution adopted by the Seller's board of directors or governors, substantially in the form attached hereto as Exhibit A, authorizing the execution, delivery and performance of this Agreement and sale of the Accounts;
- (d) Seller shall have executed and delivered to CAM the Irrevocable Assignment of Accounts in the form attached hereto as Exhibit B;
- (e) Seller shall have executed and delivered to CAM the Irrevocable Funds Distribution Authorization in the form attached hereto as Exhibit C;
- (f) Seller shall have executed and delivered to CAM the Authorization for Direct Payment via ACH attached hereto as Exhibit D;
- (g) Seller shall have delivered to CAM copies of all of its organizational documents and a Certificate of Good Standing from the state of its organization and if necessary, a copy of its license or licenses required to conduct its business in the state where said business is being conducted.

2.3 Method of Payment of the Accounts.

(a) Seller and CAM agree that payments may be made to CAM in connection with the Face Value of the Accounts in the following manners:

(i) Payment of the Face Value of the Accounts may be made directly to CAM by the account debtor on the Account by ACH payment or wire transfer or by mail; or

(ii) subject to CAM's consent, payment of the Face Value of any Account may be made by the account debtor to Seller, and Seller acknowledges that said payment is being made for the benefit of CAM and Seller shall hold said funds as trustee for the benefit of CAM and deliver same within three (3) calendar days of receipt of said payment and shall have no rights with respect to said funds. In the event Seller, subject to CAM's consent, elects to provide for payment to CAM pursuant to this subprovision, the Seller agrees within three (3) months of the date of this Agreement to enter into a Deposit Account Control Agreement with CAM and Seller's bank in form and content acceptable to CAM (the "DACA"). Failure of Seller to enter into the DACA as aforesaid may result in a termination of this Agreement by CAM after five (5) days notice to Seller. Until the DACA is in effect, Seller shall comply with the terms and conditions of this Agreement including this subprovision.

(iii) If payment of the Face Value of any Account is to be made by the account debtor to Seller in person via check or other similar instrument, Seller shall retrieve such payment from the account debtor, take such actions as required (via endorsement or otherwise) such that the payment can be deposited by CAM into its account, and, at CAM's election, either (A) deliver such payment to CAM's representative in person within three business days after Seller's receipt; or (B) deliver such payment by other means pursuant to CAM's instructions within three business days after Seller's receipt. Seller shall retrieve payment in person within three business days of being instructed to do so by CAM.

(b) Seller acknowledges that CAM is the owner of the Accounts and is fully entitled to all payments due with respect to the Accounts. Seller agrees that if there are procedures in place to allow account debtors or other third party to pay amounts due on the Accounts directly to CAM, Seller shall authorize such direct payment. In the event where there are no procedures already in place, Seller will authorize CAM to implement a new set of procedures to allow account debtors or other third party to pay amounts due on the Accounts directly to CAM. Seller must cooperate with CAM fully in order to facilitate the implementation of the procedures. In the event that CAM receives payment on an Account directly from the account debtor on the Account, or indirectly from any other third party, or in any other manner, CAM agrees that after deducting the amount equal to the sum of the Face Value plus all advances, interest and other amounts due to CAM under the terms of this Agreement, if any, it shall remit to Seller within a reasonable amount of time any excess of such amount, if any.

2.4 Failure of Account Debtor to Make Payment. In the Event that Seller or any account debtor of any of the Accounts fails to make a timely payment to CAM as described in Section 2.3, the outstanding amount owed to CAM shall accrue interest until paid at a rate equal to the lesser of 29.99% or the maximum non-usurious rate of interest as it effects from time to time which may be charged by CAM under applicable law. (the "Penalty Rate")

2.5 Administration Fee. In consideration of CAM's purchase of the Accounts, Seller agrees to pay the Administrative Fee (the "Administrative Fee") equal to the amount as set forth on Schedule 1 for each purchased Account. Payment of the Administrative Fee shall be due and payable by Seller upon CAM's purchase of the applicable Account.

3. **REPRESENTATIONS AND WARRANTIES AND COVENANTS.** To induce CAM to purchase the Accounts from Seller with full knowledge that the truth and accuracy of the following are being relied upon by CAM in the purchase of the Accounts and payments of the Purchase Price, Seller represents, warrants and covenants to CAM and agrees that:

(a) Seller (i) is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of Nevada, and qualified to operate in all jurisdictions where required; and (ii) has the requisite capacity and authority to execute and deliver this Agreement and the other agreements contemplated hereunder, to consummate the transactions contemplated hereby and thereby, and to perform its obligations hereunder and thereunder;

(b) this Agreement and all other agreements contemplate hereunder have been duly executed, and delivered by Seller and are valid and legally binding obligation of Seller, enforceable against Seller in accordance with their terms;

(c) neither the entering into of this Agreement nor the sale of the Accounts nor the performance by the Seller of any of its other obligations under this Agreement and the other agreements contemplated hereunder will contravene, breach or result in any default under the incorporation or other organizational documents of the Seller or in any material respect of any term or condition under any mortgage, lease, agreement, license, permit, statute, regulation, order, judgement, decree or law to which the Seller is a party or by which the Seller may be bound;

(d) Seller is the sole and absolute owner of each Account and has the full legal right to make said sale, assignment and transfer thereof hereunder;

(e) the Face Value on each Account is as set forth on Schedule 1 and such amounts are not in dispute;

(f) the payment of each Account is not contingent upon the fulfillment of any obligation or condition, past or future, and any and all obligations required of Seller with regard to such Account have been fulfilled by Seller;

(g) there are no defenses, offsets, recoupments or counterclaims with respect to any of the Accounts and no agreement has been made under which any account debtor with respect any of the Accounts, may claim any recoupment, deduction or discount;

(h) upon purchase, Seller will convey to CAM good and marketable title to each Account free and clear of all liens and encumbrances which shall thereafter be the sole and exclusive property of CAM;

(i) none of the account debtors with respect to any of the Accounts is insolvent as that term is defined in the United States Bankruptcy Code;

(j) all Accounts now existing or hereafter arising shall comply with each and every one of the representations, warranties, covenants and agreements referred to in this paragraph and as otherwise supplemented pursuant to this Agreement;

(k) no Account is evidenced by a note or other instrument;

(l) Seller will not, during the term of this Agreement, sell, transfer, pledge a security interest or hypothecate any of its Accounts to any party other than CAM. Seller agrees to reimburse CAM for actual out-of-pocket costs related to credit reports and UCC filings and searches incurred by CAM (and its agents, representatives and counsel) in connection with this Agreement;

(m) Seller is solvent and the execution and performance under this Agreement has been duly authorized by all necessary corporate action and is not in contravention of any of Seller's governing documents or any agreement by which Seller is bound under applicable law;

(n) Each Account purchased by CAM shall be the property of CAM and shall be collected by CAM pursuant to the terms of this Agreement but, as indicated herein, if for any reason payment of an Account should be paid to Seller, Seller shall promptly notify CAM of such payment, shall hold any check, drafts, or monies so received in trust for the benefit of CAM and shall promptly endorse, transfer and deliver the same to CAM as provided in Section 2.3 (a)(ii);

(o) Seller's place of business is the one set forth at the beginning of this Agreement and is the place where records concerning all Accounts are kept by Seller;

(p) Seller will not change the state of its registration or formation or its corporate or legal name or the place where the records concerning all accounts are kept or add an additional such place, in each case without CAM's prior written consent;

(q) There are no judgments outstanding affecting Seller or any of its property and there are no suits, proceedings, claims, demands or government investigations now pending or threatened against Seller or any of its property;

(r) As of the Effective Date, Seller is not in default or breach, nor shall any event shall have occurred or failed to occur which with the passage of time or service of notice constitute a default or breach, under any loan agreement, indenture, mortgage or other material agreement to which Seller is a party and

(s) Seller is not in violation of any law, ordinance, rule, order, regulation or other requirement of any governmental entity (whether federal, state or local) or any agency or instrumentality thereof.

4. **ASSUMPTION OF RISK.** Subject to compliance by Seller with the terms of this Agreement, CAM hereby assumes full risk of non-payment with respect to any of the Accounts and Seller shall have no liability for payment of any of the Accounts.

5. **SECURITY INTEREST.**

5.1 Grant of Security Interest. Seller has executed that certain Security Agreement August 1, 2022 (the “Security Agreement”), in favor of CAM as secured party pursuant to the terms of which Seller grants to CAM a continuing security interest and general lien upon all of the Collateral (as defined in the Security Agreement) in order to secure payment of the Secured Obligations (as defined in the Security Agreement).

5.2 Cooperation. Seller agrees to execute such further instruments and financing statements as may be required by any law in connection with the transactions contemplated hereby and to cooperate with CAM in filing or recording any renewals thereof, and Seller hereby authorizes CAM (and appoints any person whom CAM designates as its attorney) to sign Seller’s name on any such instrument and further authorizes CAM to file financing statements describing the Collateral in such manner as CAM may determine.

6. **INDEMNITIES.**

6.1 Indemnification. Seller hereby indemnifies and holds CAM and its affiliates, and their respective employees, attorneys and agents (each, an “**Indemnified Person**”) harmless from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses of any kind or nature whatsoever (including attorneys’ fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) which may be instituted or asserted against or incurred by any such Indemnified Person as the result of any financial accommodation having been extended, suspended or terminated under this Agreement or any Other Agreement or with respect to the execution, delivery, enforcement, performance and administration of, or in any other way arising out of or relating to, this Agreement or any Other Agreement, and any actions or failures to act with respect to any of the foregoing, except to the extent that any such indemnified liability is finally determined by a court of competent jurisdiction to have resulted solely from such Indemnified Person’s gross negligence or willful misconduct. **NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO SELLER OR TO ANY OTHER PARTY FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF ANY FINANCIAL ACCOMMODATION HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.**

6.2 Taxes. If any tax by any governmental authority (other than income and franchise taxes) is or may be imposed on or as a result of any transaction between Seller and CAM, or in respect to services or sales (or any merchandise affected by such sales), which CAM is or may be required to withhold or pay, Seller agrees to indemnify and hold CAM harmless in respect of such taxes, and Seller will repay CAM the amount of any such taxes.

6.3 Review of Seller’s Bank Accounts. Seller agrees to take all action necessary, including disclosure of passwords or PINs, the addition of joint access signers, or other appropriate methods to allow CAM to view its bank accounts through the Internet or other applicable procedure.

7. **EVENT OF DEFAULT.**

7.1 Default. The occurrence of any of the following acts or events shall constitute an Event of Default (each a “Event of Default”) under this Agreement:

- (a) Seller’s material breach of any representation, warranty or covenant contained in this Agreement;
- (b) Seller’s failure to make timely payment of any amounts due under this Agreement;
- (c) Seller becomes insolvent or unable to meet its debts as they mature;
- (d) Seller delivers to CAM a representation, warranty, certification or other statement that is false in any material respect when made;
- (e) Any bankruptcy proceeding, insolvency arrangement or similar proceeding is commenced by or against Seller;
- (f) Seller suspends or discontinues its regular operations for any reason;
- (g) A receiver or trustee of any kind is appointed for Seller or any of Seller’s property;
- (h) Seller does not, in good faith, take all necessary steps to implement the manners of payment as provided in this Agreement;
- (i) A notice of lien, money judgment, levy, assignment, seizure, writ or warrant of attachment is entered or filed against Seller with respect to the Accounts or any Collateral (as said term is defined in the Security Agreement).
- (j) Seller’s material breach of any representation, warranty or covenant contained in the Security Agreement.
- (k) Seller fails to open the School on or prior to August 15, 2022, 2022.
- (l) Seller’s Enrollment Variation measured as of the last day of any calendar month fails to meet Lender’s underwriting criteria in effect on such date as determined by Lender in Lender’s sole and absolute discretion.
- (m) The occurrence of any event which Lender determines in Lender’s sole and absolute discretion impacts Seller’s ability to pay (or cause to be paid) to Lender any amounts due under this Agreement.

7.2 **Remedies.** After the occurrence of any Event of Default, CAM shall have immediate access to any and all books and records as may pertain to the Accounts or any of the Collateral (as defined in the Security Agreement). With respect to such Collateral, CAM shall have all rights and remedies of a secured party under the Security Agreement and Article 9 of the Uniform Commercial Code. Notwithstanding anything to the contrary herein, after the occurrence of any Event of Default, CAM shall have the right (but not the obligation) to collect all Accounts directly from account debtors.

8. **TERMINATION.** The term of this Agreement shall begin as of the Effective Date and continue until terminated in accordance with this Section. Either Party may terminate this Agreement upon thirty (30) days' prior written notice to the other Party. In addition, CAM may in its sole discretion terminate this Agreement effective immediately without prior notice upon the occurrence of an Event of Default. Upon termination of this Agreement, any amounts due from Seller to CAM will mature and become immediately due and payable. Notwithstanding the foregoing, no termination of this Agreement shall terminate or extinguish any obligation of a Party arising or occurring prior to such termination and all of CAM's rights, liens and security interests granted pursuant to the Security Agreement shall continue and remain in full force and effect after any termination of this Agreement. In addition, Seller agrees that it shall continue to remit to CAM all collections on Accounts received directly by it (if applicable) until all payments owed with respect to each Account have been paid in full.

9. **FUTURE AGREEMENTS.** Seller acknowledges that CAM may from time to time agree to purchase additional Accounts from Seller which shall be evidenced by additional Factoring Agreements.

10. **CONFIDENTIALITY.** Seller hereby agrees to maintain the confidentiality of this Agreement, any prior agreements regarding the purchase of its Accounts ("**Prior Agreements**") or any future agreements pertaining to the purchase of its Accounts ("**Future Agreements**") and agrees that this Agreement, Prior Agreements or Future Agreements cannot be duplicated or distributed to any third party without CAM's express written permission except as required by law. Seller further agrees to take reasonable measures to protect and maintain the security and confidentiality of information set forth in this Agreement, any Prior Agreements or Future Agreements.

11. **TRUE SALE OF ACCOUNTS.** Seller and CAM agree and acknowledge that the intention of the parties with respect to the Accounts is to accomplish a true sale of the Accounts as provided for in this Agreement. If for any reason, it is determined by a court of competent jurisdiction, that this Agreement does not provide a true sale of the Accounts, but constitutes a loan secured by the Accounts, then the Accounts shall be deemed to have been pledged to CAM pursuant to the Security Agreement.

12. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement and understanding between Seller and CAM with respect to the sale of the Accounts provided for herein and supersedes all prior written and oral agreements, discussions or representations between Seller and CAM concerning the Accounts purchased by CAM pursuant to this Agreement. Notwithstanding the foregoing, the sale of the Accounts under this Agreement is also subject to the terms and conditions of the Security Agreement as referenced in Section 5.1. No modification or amendment to this Agreement or any waiver of any rights under this Agreement will be effective unless in a writing signed by Seller and CAM.

13. **MISCELLANEOUS.**

13.1 No Pledge of Credit. Seller shall not be entitled to pledge CAM's credit for any purpose whatsoever.

13.2 Waivers. Seller waives presentment and protest of any instruments and all notices thereof, notice of default and all other notices to which it might otherwise be entitled. Seller shall maintain, at its expense, proper books of account.

13.3 No Pledge or Sale of Accounts. During the term of this Agreement, Seller shall not sell or assign, negotiate, pledge or grant any security interest in the Accounts to anyone other than CAM.

13.4 Governing Law and Venue. This Agreement is executed and delivered in the State of California and shall be governed by California law without giving effect to its conflict of laws principles. Seller further agrees that any legal action or proceeding with respect to any of its obligations under this Agreement may be brought by CAM in any state or federal court located in Santa Clara County, California. Any claim or controversy asserted by Seller against CAM shall only be litigated in the State or Federal Courts located in Santa Clara County, California. By the execution and delivery of this Agreement, Seller submits to and accepts for itself and in respect of its property generally and unconditionally the non-exclusive jurisdiction of those courts. Seller waives any claims that Santa Clara County, California is not a convenient forum or the proper venue for any such suit, action or proceeding.

13.5 Waiver of Service of Process. Each of the parties to this Agreement hereby waives personal service of any summons or complaint or other process or papers to be issued in any action or proceeding involving any such controversy and hereby agrees that service of such summons or complaint or process may be made by certified mail to the other party at the address appearing herein; failure on the part of either party to appear or answer within thirty (30) days after such mailing of such summons, complaint or process shall constitute a default entitling the other party to enter a judgment or order as demanded or prayed for therein to the extent that said Court or duly authorized officer thereof may authorize or permit.

13.6 Waiver of Jury Trial. TO THE EXTENT ALLOWED BY APPLICABLE LAW, CAM AND SELLER DO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, OUT OF, BY REASON OF, OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE INTERPRETATION OR ENFORCEMENT THEREOF OR TO ANY TRANSACTIONS THEREUNDER. IN THE EVENT CAM COMMENCES ANY ACTION OR PROCEEDING AGAINST SELLER, SELLER WILL NOT ASSERT ANY OFFSET OR COUNTERCLAIM, OF WHATEVER NATURE OR DESCRIPTION, IN ANY SUCH ACTION OR PROCEEDING.

13.7 No Waiver of Rights. No failure or delay by CAM in exercising any of its powers or rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or the exercise of any other right or power. CAM's rights, remedies and benefits hereunder are cumulative and not exclusive of any other rights, remedies or benefits which CAM may have. This Agreement may only be modified in writing and no waiver by CAM will be effective unless in writing and then only to the extent specifically stated.

13.8 Notices. All notices and other communications by either party hereto shall be in writing and shall be sent to the other party at the address specified herein.

13.9 Assignment. CAM shall have the right to assign this Agreement, and all of CAM's rights hereunder shall inure to the benefit of CAM's successors and assigns, and this Agreement shall inure to the benefit of and shall bind CAM's respective successors and assigns. Seller may not assign or transfer any of its rights or obligations hereunder without the prior written consent of CAM (and any attempted assignment or transfer by Seller without such consent shall be null and void).

13.10 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. This Agreement shall be deemed to have been executed and delivered when CAM has received counterparts hereof executed by all parties listed on the signature pages hereto. Facsimile, pdf, or other forms of electronic image versions of signatures hereto shall be deemed original signatures, which may be relied upon by each party hereto and shall be binding on the respective party.

13.11 Attorney Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

13.12 Waiver of Sovereign Immunity. To the extent permitted by applicable law, Seller hereby waives any claim or defense of sovereign immunity as to all tort and contract claims arising under this Agreement.

13.13 Interpretation. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under any such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. As used in this Agreement, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires. The headings of sections and paragraphs in this Agreement are for convenience only and shall not be construed to limit or define the content, scope or intent of the provisions hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SELLER
TEACH Las Vegas

By: _____

Name: Trishawn Allison

Title: Chairperson, Board of Directors

Address for Notices:

4660 N. Rancho Drive, Las Vegas, NV 89130

CHARTER ASSET MANAGEMENT FUND,
L.P.

By: Charter Asset Management GP LLC.,
A Delaware limited liability company

Its: General Partner

By: _____

Name: Paul Im

Title: Managing Member

Address for Notices:

633 W. 5th Street, 26th Floor

Los Angeles, CA 90071

By: _____

Name: David Park

Title: Managing Member

Address for Notices:

633 W. 5th Street, 26th Floor

Los Angeles, CA 90071

Schedule 1**Accounts**

Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) May PMT. District Code# 2. School Code# 112100	\$107,264.41	\$ -	2.99%	\$3,207.21	-\$104,057.20
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Feb PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	5.99%	\$6,409.30	-\$100,590.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Mar PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	6.99%	\$7,479.30	-\$99,520.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Apr PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	7.99%	\$8,549.30	-\$98,450.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) May PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	8.99%	\$9,619.30	-\$97,380.70
Total		\$535,264.41	\$ -		\$35,264.41	-\$500,000.00

EXHIBIT A

**CHARTER SCHOOL BOARD RESOLUTION OF THE BOARD OF DIRECTORS OF
TEACH Las Vegas**

The Board of Directors (“Board”) of TEACH Las Vegas (the “Charter School”), Pursuant to applicable law and the Charter School’s governing documents, hereby adopt the following recitals and resolutions by majority vote at a public meeting, effective as of the effective date of the Factoring Agreement (as defined herein):

1. Approval of Factoring Agreement and Sale of Receivables.

WHEREAS, the Board has reviewed the Factoring Agreement entered into by and among Charter Asset Management Fund, L.P. (“CAM”) and the Charter School (such agreement, the “Factoring Agreement”) and has had an adequate opportunity to ask questions regarding, and investigate the nature of, the Factoring Agreement;

WHEREAS, after careful consideration, the Board has determined that the terms and conditions of Factoring Agreement are just and equitable and fair as to the Charter School and that it is in the best interest of the Charter School to enter into the Factoring Agreement;

WHEREAS, the Board deems it to be in the best interest of the Charter School to cause the Charter School to sell and assign certain of its receivables to CAM as provided in the Factoring Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that the Factoring Agreement is hereby approved;

RESOLVED FURTHER, that the Charter School may sell and assign certain of its receivables to CAM as provided in the Factoring Agreement;

RESOLVED FURTHER, that the officers and managers of the Charter School are hereby authorized and directed to cause the Charter School to enter into the Factoring Agreement and to execute all other documents necessary to effect the Factoring Agreement, and to take all actions necessary and appropriate to perform the Charter School’s obligations thereunder;

2. Enabling Power.

RESOLVED, that the officers and managers of the Charter School be, and each of them hereby is, authorized, directed and empowered to execute any applications, certificates, agreements or any other instruments or documents or amendments or supplements to such documents, or to do, or cause to be done, any and all other acts and things as such officers and managers, and each of them may, in their discretion, deem necessary or advisable and appropriate to carry out the purposes of the foregoing resolutions.

3. Authorization to Certify Resolution.

RESOLVED, that the Chairperson, Board of Directors and are hereby authorized to certify this resolution.

This written consent may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same written consent.

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution.

By: _____
Trishawn Allison
Chairperson, Board of Directors

EXHIBIT B

IRREVOCABLE ASSIGNMENT OF ACCOUNTS

Pursuant to this assignment (“Assignment”), for value received and services performed by Charter Asset Management Fund, L.P., a Delaware limited partnership (“CAM”), TEACH Las Vegas (“Charter School”) DBA TEACH Las Vegas Charter School hereby irrevocably assigns, transfers and sets over to CAM the sole right to collect from the Nevada Achievement School District (“Payor”) the net proceeds of the Accounts (as defined herein) from the Payor, when such payments become due and payable to Charter School. The term “Accounts” shall mean all Accounts described in Schedule 1 of that certain Factoring Agreement dated as of November 7, 2022 between CAM and the Charter School (the “Factoring Agreement”).

Recitals

WHEREAS, under applicable law, the Charter School has the power to sell and assign its assets;

WHEREAS, the Charter School is entitled to receive state payments or other amounts to which the Charter School is entitled to receive from the Payor under applicable law (collectively, the “Payments”);

WHEREAS, the Charter School hereby warrants and represents to the Payor and CAM that (i) the Charter School is duly authorized under the laws of the State of Nevada (the “State”) to enter into the transactions contemplated hereby and to sell and assign the Accounts and other assets in furtherance of its educational purposes; (ii) all action on the Charter School’s part necessary for the consummation of the transaction contemplated hereby and the sale and assignment of the Accounts have been duly taken; (iii) this Assignment is valid and enforceable in accordance with its terms, except as enforceability may be limited by general equitable principles and by bankruptcy, insolvency or other similar laws affecting creditors’ rights generally; (iv) the Charter School has not heretofore conveyed, assigned, pledged, granted a security interest in or other disposal of the Accounts as has been satisfied by the Charter School and released; and (v) assuming receipt of the consents required herein, the execution, delivery and performance of this Assignment is not a contravention of law or any agreement, instrument, indenture or other undertaking to which the Charter School is a party or by which the Charter School is bound.

WHEREAS, except with respect to the Assignment below, the Charter School further warrants and represents to the Payor and CAM that the Factoring Agreement and all related documents do not provide for recourse of any kind against the Payor. The Charter School understands that the Payor does not make any representations concerning the financial condition of the Charter School or guarantee the continuous payment of Payments to the Charter School.

WHEREAS, the Charter School acknowledges and agrees that CAM is an intended third-party beneficiary of the Assignment contained herein.

Assignment

NOW, THEREFORE, in consideration of the mutual promises herein contained, it is hereby agreed and acknowledged that:

- (i) this Assignment is made by Charter School as consideration for CAM to enter into the Factoring Agreement executed on the Effective Date.
- (ii) Charter School may not revoke this Assignment;
- (iii) the Payor is hereby authorized and directed to release and pay the Payments to CAM when and in same the manner that such Payments were to be paid to Charter School; and
- (iv) the Payor shall make Payments to CAM with respect to the Accounts by wire pursuant to the wiring instructions provided by CAM.

[Signature page follows]

IN WITNESS WHEREOF, this Assignment is effective as of November 7, 2022.

TEACH Las Vegas DBA TEACH Las Vegas Charter School

By: _____
Trishawn Allison
Chairperson, Board of Directors

Acknowledged by:

CHARTER ASSET MANAGEMENT FUND, L.P.

By: Charter Asset Management GP, LLC,
A Delaware limited liability company
Its: General Partner

By: _____

Name: Paul Im
Title: Managing Member

By: _____

Name: David Park
Title: Managing Member

Address for Notices:
633 W. 5th Street, 26th Floor
Los Angeles, CA 90071

WIRE / ACH INSTRUCTIONS

Please remit all ACH / wire payments to the following:

Bank / Institution: Hanmi Bank
Account: Charter Asset Management Fund, L.P.
Account Number: 550104624
Wiring/Routing Number: 122039399

CHECK DELIVERY INSTRUCTIONS

Please overnight mail all checks to the following address:

Charter Asset Management
ATTN: Paul Im / Jonathan Yeh
633 W. 5th Street, 26th Floor,
Los Angeles, CA 90071

Checks made out to Charter School is acceptable to CAM pursuant to the Factoring Agreement and Irrevocable Funds Distribution Authorization.

EXHIBIT C

IRREVOCABLE FUNDS DISTRIBUTION AUTHORIZATION

Effective Date: November 7, 2022

The undersigned, TEACH Las Vegas (the “**Charter School**”), hereby irrevocably authorizes Nevada Achievement School District, (the “**Payor**”) to distribute directly to Charter Asset Management Fund L.P., a Delaware limited partnership (“**CAM**”), all amounts due from the Payor to the Charter School directly to CAM, whether by (1) mail, (2) ACH, or (3) wire transfer pursuant to the Electronic Funds Transfer Act as directed by CAM. The Charter School agrees to deliver to the Payor an Irrevocable Assignment of Accounts in the form attached as Exhibit A or such other documents required by the Payor to authorize the direct funds distribution to CAM. The Charter School shall assist CAM with respect to any documents required by Payor to allow Payor to make funds distributions directly to CAM. Payor may rely on this authorization in making direct funds distributions to CAM.

TEACH Las Vegas

By: _____
Trishawn Allison
Chairperson, Board of Directors

EXHIBIT D

**AUTHORIZATION FOR DIRECT PAYMENT VIA ACH
(ACH DEBIT)**

Direct Payment via ACH is the transfer of funds from the TEACH Las Vegas (“Charter School”)’s account for the purpose of making payments for receivables due to Charter Asset Management Fund, L.P.

As board director and/or officer of Charter School and signer on all factoring and security agreements between Charter School and Charter Asset Management Fund, L.P., I authorize Charter Asset Management Fund, L.P. to electronically debit the account of Charter School as follows:

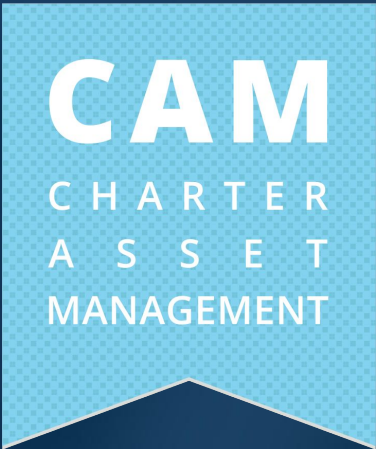
Bank / Institution: Bank of Nevada
Account: TEACH Las Vegas
Account Number: 8949408545
Routing Number: 122401778
School Address: 4660 N. Rancho Drive, Las Vegas, NV 89130

I understand that the amount and frequency of debits are pursuant to all executed factoring agreements executed between Charter School and Charter Asset Management Fund, L.P. for the 2020-2021 fiscal year.

I understand that this authorization will remain in full force and effect until all financial obligations of Charter School to Charter Asset Management Fund, L.P. are fulfilled pursuant to all executed agreements.

TEACH LAS VEGAS

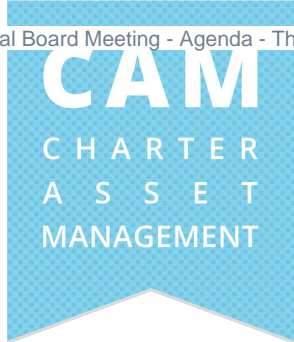
Trishawn Allison
Chairperson, Board of Directors



TEACH Las Vegas Factoring Term Sheet



Our Mission:
To help charter schools reach their full potential via sound lending and investing practices.



About CAM

Since 2012, Charter Asset Management (CAM) has funded over \$1 billion to charter schools nationwide. CAM offers term loans, revolving lines of credit, bridge loans for real estate acquisitions and improvements, and working capital via receivables factoring.

National Leader in Charter School Financing



Highlights & Strengths

CAM funded Harbor Springs Charter School \$12.5 million for the acquisition of their new campus in Chula Vista, California, and \$2M for improvements to help create their ideal learning environment.

CAM provides ongoing working capital for five Nevada charter schools based in greater Las Vegas.

CAM opened a \$10 million revolving line of credit with Rocketship Education in California.

CAM Strengths:

Expertise:

CAM knows charter schools. Our team has extensive experience working with charter school networks, understands their many unique challenges, and is dedicated to finding meaningful solutions.

Collaboration:

CAM collaborates with charter schools to provide bespoke funding solutions and works proficiently around existing bonds or planned long-term financings.

Flexibility:

CAM provides charter schools with flexible capital. We are not a bank and will not require depository business as a part of our relationship with clients.

Speed:

Our agility as an organization allows us to issue a proposal, conduct due diligence, and fund in an expedited manner.

CAM Factoring Term Sheet

October 24, 2022

Mr. Matt Brown
Chief Financial & Operating Officer
TEACH Las Vegas
4660 N. Rancho Drive, Las Vegas, NV 89130

Dear Mr. Matt Brown,

Charter Asset Management Fund, L.P. (“Purchaser”) appreciates this opportunity to continue our relationship with TEACH Las Vegas (“Seller”). We would like to propose the following terms and conditions for the factoring transaction under discussion. Please note that this letter is not intended to constitute a commitment to factor on the part of the Purchaser, but to summarize for discussion purposes the working capital accommodation that we are interested in considering. Notwithstanding the foregoing, the terms under the heading “Confidentiality” as set forth below in this letter shall constitute a binding and legally enforceable agreement between the parties.

Factoring is a common financing transaction used in many industries where future revenues, in this case, state-aid receivables, are purchased at a discount to advance capital for use in the present. In other words, CAM will provide capital to your charter school now by purchasing a portion of the state-aid due to your school in the future.

Purchaser	Charter Asset Management Fund, L.P.
Seller	TEACH Las Vegas
Net Amount Funded	\$500,000.00
Factored Amount	\$535,264.41
Cost of Capital	\$35,264.41
Legal & Admin Fee	N/A
Closing Date	November 7, 2022

Collateral

Purchaser will be provided a perfected first position security interest in all of the Seller's present and future assets, including intellectual property and general intangible assets including but not limited to first and exclusive position of all future state revenue. Seller authorizes Purchaser to file UCC-1 financing statements and other necessary documents with UCC filing offices showing Purchaser as secured party and Seller as debtor and covering all of the above-described collateral.

Dominion

All state and other payments to be intercepted and distributed by a designated trustee, control account or cash collateral account pursuant to a deposit account control agreement.

Repayment Schedule

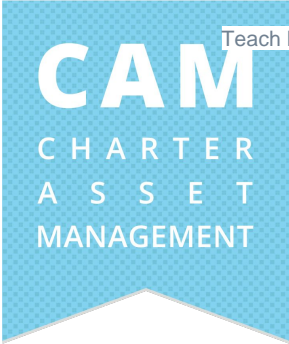
Pursuant to Repayment Schedule Below

Offer Expiration

October 26, 2022

Receivable Schedule

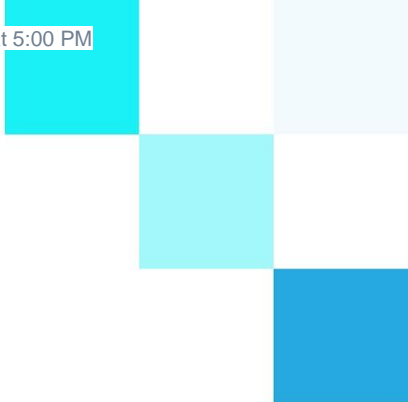
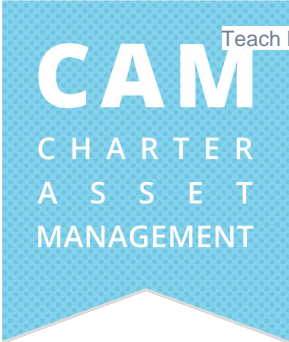
Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Dec PMT. District Code# 2. School Code# 112100	\$107,264.41	\$ -	2.99%	\$3,207.21	-\$104,057.20
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Feb PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	5.99%	\$6,409.30	-\$100,590.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Mar PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	6.99%	\$7,479.30	-\$99,520.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Apr PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	7.99%	\$8,549.30	-\$98,450.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) May PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	8.99%	\$9,619.30	-\$97,380.70
Total		\$535,264.41	\$ -		\$35,264.41	-\$500,000.00



Repayment Schedule

Account Receivable	Repayment Date
FY 22-23 State Aid Distributive School Account (DSA) Dec PMT. District Code# 2. School Code# 112100	January 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) Feb PMT. District Code# 2. School Code# 112100	March 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) Mar PMT. District Code# 2. School Code# 112100	April 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) Apr PMT. District Code# 2. School Code# 112100	May 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) May PMT. District Code# 2. School Code# 112100	June 1, 2023

*Disbursement timing for federal, state, county, and local state aid can vary. Account receivables sold to CAM are due when disbursed.



Seller

TEACH Las Vegas

By: _____

Name: Mr. Matt Brown

Title: Chief Financial & Operating Officer

Dated: _____

Purchaser

Charter Asset Management Fund, L.P.

By: Charter Asset Management GP, LLC.

Its: General Partner

By: _____

Name: Paul Im

Title: Managing Partner

By: _____

Name: David Park

Title: Managing Partner

Thank you for choosing to fund with Charter Asset Management.

This proposal letter is provided solely for the purpose described herein and may not be disclosed to or relied upon by any other party without the Purchaser's prior written consent. This proposal is intended to form the basis for a discussion of a working capital accommodation, and further negotiations adding to or modifying the general scope of the major terms shall not be precluded by the issuance of this Proposal Letter. This proposal is confidential and proprietary for the sole purpose of discussions between the parties hereunder.

Purchaser reserves the right to issue press releases, advertisements, and other promotional materials describing any successful outcome of services provided on your behalf. The Seller agrees that Purchaser shall have the right to identify the Seller by name in those materials.

Whether or not the transaction contemplated herein is consummated, by your acceptance hereof: (a) you agree to bear all reasonable out-of-pocket expenses of Purchaser and all fees and disbursements of Purchaser's counsel (including the allocated costs of inside counsel) relating to the preparation of this letter and of the proposed financing documentation and to the transaction contemplated hereby and thereby, if applicable, and (b) you agree to indemnify Purchaser, its affiliates, and their respective directors, officers and employees and to defend and hold Purchaser, its affiliates and such other persons harmless from and against all losses, claims, damages, liabilities and expenses (including expenses of litigation or preparation thereof) which Purchaser or any such affiliates or such other persons in connection with or arising out of the matters referred to herein, except for damages resulting from the gross negligence or willful misconduct of the Purchaser.

Proposed Timeline



01

Term Sheet
-
Today

02

Proposal & Agreements Review
-
1 month

03

Agreements Finalized & Executed
-
2 weeks

04

Due Diligence & Underwriting
-
1 - 2 weeks

05

Financial Close
-
Negotiable



CAM

CHARTER
ASSET
MANAGEMENT

Thank You!

Your CAM Support Team

Paul Im - Managing Partner

Jonathan Yeh - Finance Department

General Inquiries:
(213) 335-6275

Email:

client.services@charterassetmanagement.com

Coversheet

Independent Auditor Report Update

Section:	III. ITEMS SCHEDULED FOR INFORMATION & POTENTIAL ACTION
Item:	B. Independent Auditor Report Update
Purpose:	Vote
Submitted by:	
Related Material:	TeachLasVegasAUPRpt22.pdf TEACH LV 2022 Audit draft 10.31.22.pdf



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
TEACH Las Vegas and Nevada Department of Education
Las Vegas, Nevada

We have performed the procedures enumerated below, which were agreed to by the management of TEACH Las Vegas (the School) and the Nevada Department of Education (the Department), (the specified parties) solely to assist in evaluating the School's assertion to the Department that it has complied with the requirements of the Federal Charter Schools Program grant (CSP), inclusive of federal and Department guidelines in managing the CSP grant for the year ended June 30, 2022. The School's management is responsible for its compliance with those requirements.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose for which this report has been requested. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Obtained a copy of the CSP grant award, inclusive of any amendments.
2. Obtained the detail of expenditures incurred for the period under review relating to the CSP grant and compared the total expenditures incurred to the CSP grant revenue recorded by the School and inquired of management about any differences.
3. Compared the approved CSP budget to the actual expenditures incurred and inquired of management regarding any differences greater than 10% of the total budget.
4. Selected a sample of expenditures from the detail expenditures incurred during the scope period based on the criteria set forth below:
 - a. Payroll – Selected 10 items charged to the CSP grant.
 - b. Other expenses – Selected 10 items charged to the CSP grant.

And determined the following:

- i. sighted the expenditure purpose and compare to allowable expenditure types
- ii. compared expenditure purpose to the budget category
- iii. sighted the period in which the expenditure was incurred and compared to the period it was recorded

Board of Directors
TEACH Las Vegas and Nevada Department of Education
Page 2

5. Obtained Request for Funds forms (RF 1) submitted to the Department during the scope period.
 - a. Traced the amounts reported in the RF1 to the listing of expenditures and reported any differences as a finding.
 - b. Inquired if items have not yet been requested for reimbursement and compared to the general ledger, inquired of responsible charter school officials as to the plan for requesting reimbursement.
 - c. If RF 1 forms include amounts for cash advances (Cash Expenditures Anticipated During Next Month), determined if the total of the funds expended in the month subsequent to the date of the request is equal to or exceeded the amount requested by comparing funds expenditure request to the actual funds expended in the general ledger.

The results of performing these procedures are presented in the accompanying *Results of Procedures*.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the CSP grant. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of TEACH Las Vegas and the Nevada Department of Education and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Las Vegas, Nevada
October 31, 2022

Board of Directors
TEACH Las Vegas and Nevada Department of Education
Page 3

Results of Procedures:

The following will provide the results of our agreed-upon procedures:

Procedure #1:

Result: No exceptions noted.

Procedure #2:

Result: Total CSP Grant revenue recorded by the School amounted to \$496,333. Total expenditures incurred amounted to \$677,664. The School explained the difference as being caused by expenses being coded to the grant in the general ledger that were not allowed by the grantor and therefore not reimbursed. The revenue amount recorded in the general ledger is the actual amounts reimbursed through June 30, 2022 and the accruals for the June 30, 2022 fiscal year expenditures included in the February, March, April, May, and August RF-1 forms.

Procedure #3:

Result: No exceptions noted.

Procedure #4:

Result: No exceptions noted.

Procedure #5:

Result: No exceptions noted.

TEACH LAS VEGAS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

Tentative - For Discussion Purposes Only, Subject to Change

**TEACH LAS VEGAS
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YEAR ENDED JUNE 30, 2022**

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FINANCIAL SECTION

Tentative - For Discussion Purposes Only, Subject to Change

INDEPENDENT AUDITORS' REPORT

Board of Directors
TEACH Las Vegas
Las Vegas, Nevada

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of TEACH Las Vegas (the School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Board of Directors
TEACH Las Vegas

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Board of Directors
TEACH Las Vegas

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Financial Framework Information Worksheet is presented for purposes of additional analysis and 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 GAAS. In our opinion, the Financial Framework Information Worksheet is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

REQUIRED SUPPLEMENTARY INFORMATION

Tentative - For Discussion Purposes Only, Subject to Change

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

This TEACH Las Vegas's (the School) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the School's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The June 30, 2022 fiscal year was the School's first year in operation.
- The School's net position at June 30, 2022 was a deficit position of \$154,713.
- Total General Fund revenues were \$2,143,957 as compared to \$14,086,291 of expenditures. The General Fund also had \$12,031,519 in loan and lease proceeds.
- At June 30, 2022, the School's General Fund reported a fund balance of \$201,622.
- Capital assets have been reported at \$11,737,280 with accumulated depreciation and amortization of \$300,063 for a net capital asset value of \$11,737,280.
-
- The School entered into a new lease and recognized \$12,002,519 in Right of Use Assets and recorded \$300,063 of amortization expense during the year ended June 30, 2022 accordingly. The School also recognized \$12,218,309 in lease obligations as of June 30, 2022.
- The School borrowed \$29,000 in long-term borrowing and \$250,000 in short-term borrowing during the year ended June 30, 2022. As of June 30, 2022, the School had \$100,000 and \$29,000 in long-term debt and short-term borrowing outstanding, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

School-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law.
- The School may establish other funds to control and manage money for specific purposes.

The School has one kind of fund:

- *Governmental Funds* – Most of the School's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the School-wide statements, we provide a reconciliation of the governmental funds statements to the School-wide statements.

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's *combined* net position was (\$154,713) and \$31,096 on June 30, 2022 and 2021, respectively (see Table A-1).

	Governmental Activities as of June 30,		Percentage Change
	2022	2021	
Current and Other Assets	\$ 719,884	\$ 131,096	449.13 %
Capital Assets	11,737,280	-	N/A
Total Assets	<u>12,457,164</u>	<u>131,096</u>	9402.32
Deferred Outflows of Resources	127,181	-	N/A
Current Liabilities	491,749	100,000	391.75
Net Pension Liability	-	-	N/A
Long-Term Liabilities	<u>12,247,309</u>	<u>-</u>	N/A
Total Liabilities	<u>12,739,058</u>	<u>100,000</u>	12639.06
Deferred Inflows of Resources	-	-	N/A
Net Position:			
Investment in Capital Assets	(481,029)	-	N/A
Restricted	26,513	-	N/A
Unrestricted	<u>299,803</u>	<u>31,096</u>	(864.12)
Total Net Position	<u>\$ (154,713)</u>	<u>\$ 31,096</u>	597.53

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Changes in Net Position

The School's total revenues were \$2,355,209 and \$83,527 for the periods ended June 30, 2022 and 2021, respectively. State formula aid accounted for 57.3% of total revenue for the year (Figure A-2). Another 20.6% came from federal and state awards the remaining 22.1% from other program and general revenues.

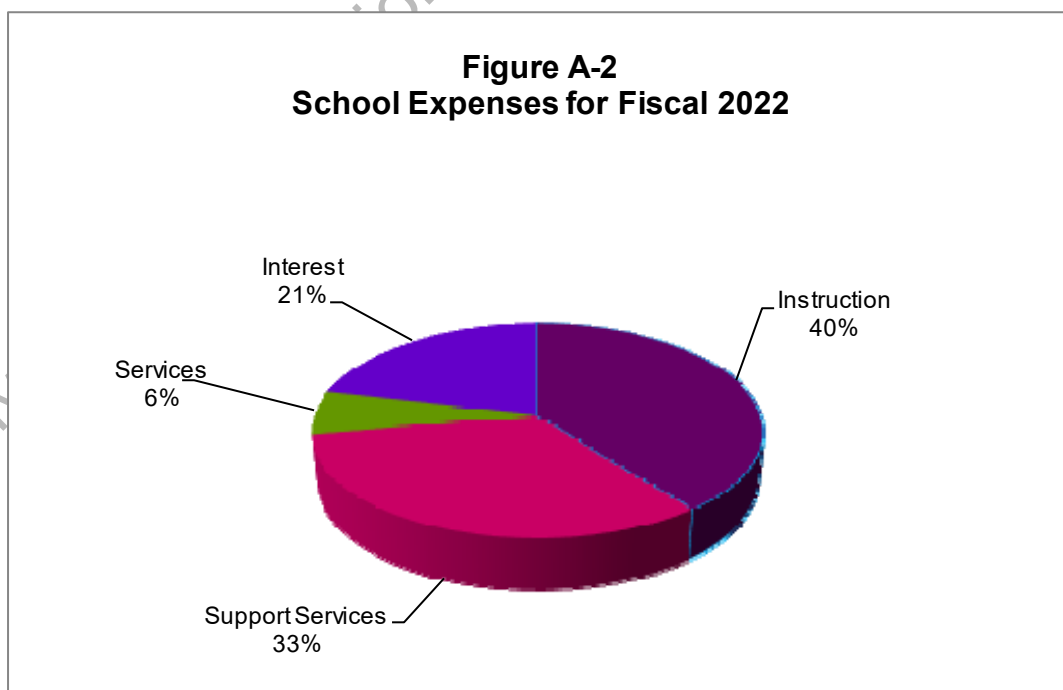
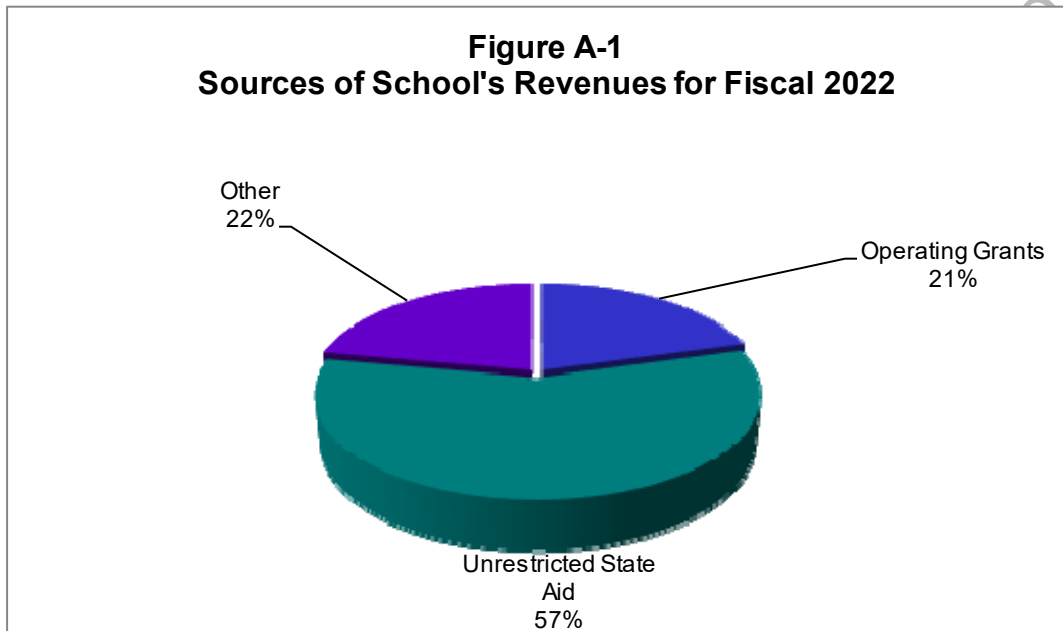
	Governmental Activities for the Period Ended June 30,		Percentage Change
	2022	2021	
Revenues			
<u>Program Revenues</u>			
Operating Grants and Contributions	\$ 486,086	\$ -	N/A
<u>General Revenues</u>			
Unrestricted State Aid	1,348,883	-	N/A
Other	520,240	83,527	522.84 %
Total Revenues	<u>2,355,209</u>	<u>83,527</u>	
Expenses			
Instruction	1,003,632	-	N/A
Support Services	830,894	52,431	1484.74
Operation of Noninstructional Services	163,192	-	N/A
Interest and Fiscal Charges on Long-Term Liabilities	543,300	-	N/A
Total Expenses	<u>2,541,018</u>	<u>52,431</u>	4746.40
Change in Net Position	(185,809)	31,096	
Beginning Net Position	<u>31,096</u>	-	
Ending Net Position	<u>\$ (154,713)</u>	<u>\$ 31,096</u>	

The total cost of all programs and services was \$2,541,018 and \$52,431 for the years ended June 30, 2022 and 2021, respectively. Total expenses exceeded revenues, decreasing net position by \$185,809 for the year ended June 30, 2022. Revenues exceeded expenses, increasing net position by \$31,096 for the year ended June 30, 2021.

TEACH LAS VEGAS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

The cost of all *governmental* activities this year was \$2,541,018.

- State grant funds subsidized certain programs with grants and contributions.
- Most of the School's remaining costs; however, were paid for by unrestricted state aid, federal revenue, and other general revenues.



**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2022	2021		2022	2021	
Instruction	\$ 1,003,632	\$ -	N/A	\$ 517,546	\$ -	N/A
Support Services	830,894	52,431	1484.74 %	830,894	52,431	1484.74 %
Operation of Noninstructional Services	163,192	-	N/A	163,192	-	N/A
Interest and Fiscal Charges on Long-Term Liabilities	543,300	-	N/A	543,300	-	N/A
Total	<u>\$ 2,541,018</u>	<u>\$ 52,431</u>	4746.40	<u>\$ 2,054,932</u>	<u>\$ 52,431</u>	3819.31

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The financial performance of the School as a whole is reflected in its governmental funds as well. As the School completed the year, its governmental funds reported a *combined* fund balance of \$228,135.

Revenues for the School's governmental funds were \$2,355,209 while total expenditures were \$14,189,689.

GENERAL FUND

The General Fund includes the primary operations of the School in providing educational services to students in kindergarten through grade 5 (for the June 30, 2022 year) including capital outlay projects and facility maintenance and leases.

Approximately 61% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local Board of Directors having no meaningful authority to determine the level of resources. This revenue source includes general education aid, special education aid, federal aid and other state appropriations and grants.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 61% of General Fund revenue being determined by enrollment. The June 30, 2022 fiscal year was the School's first year of operation with enrollment of approximately 120. Enrollment is expected to continue increasing.

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

GENERAL FUND HIGHLIGHTS

The following schedule presents a summary of General Fund Revenues.

**Table A-4
General Fund Revenues**

	Period Ended		Change	
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percent Change
Local Sources:				
Other	\$ 520,240	\$ 63,873	\$ 456,367	714.49 %
State Sources	1,300,229	3,202,900	(1,902,671)	(59.40)
Federal Sources	323,488	28,836	294,652	1021.82
Total General Fund Revenue	<u>\$ 2,143,957</u>	<u>\$ 3,295,609</u>	<u>\$ (1,151,652)</u>	(34.95)

Total General Fund Revenue was \$2,143,957 for the period. Basic general education revenue is determined by state formulas that are enrollment driven and consists of a specified minimum amount with variables such as socioeconomic indicators driving additional funding. For Nevada charter schools, the majority of all funding is made up of general education aid, special education aid. Other revenue consists of federal and private grant funding that is often expenditure driven.

The following schedule presents a summary of General Fund Expenditures.

**Table A-5
General Fund Expenditures**

	Period Ended		Change	
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percent Change
Salaries	\$ 521,990	\$ 7,500	\$ 514,490	6859.87 %
Employee Benefits	165,165	574	164,591	28674.39
Purchased Services	423,732	19,917	403,815	2027.49
Supplies	576,233	-	576,233	N/A
Other	34,318	24,440	9,878	40.42
Capital Outlay	12,037,343	-	12,037,343	N/A
Debt Service:				
Principal	327,510	-	327,510	N/A
Total General Fund Expenditures	<u>\$ 14,086,291</u>	<u>\$ 52,431</u>	<u>\$ 14,033,860</u>	26766.34

Total General Fund expenditures were \$14,086,291 for the period.

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

Actual revenues were \$299,790 (12.3%) less than expected. The actual expenditures were \$11,574,866 more than budget for a 460.9% variance. \$12,031,519 of the actual expenditures relate to the School's new lease and was funded through other financing sources – leases. Adjusting for this, the School's general fund expenditures were under budget by \$456,653 (18.2%).

CAPITAL ASSETS

By the end of 2022, the School had invested \$34,824 in construction in progress and \$12,002,519 in Right of Use Assets for leased facilities (see Table A-6). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total accumulated depreciation and amortization of \$300,063 resulted in a combined net capital asset value of \$11,737,280.

The School adopted the new lease standard, GASB 87, in the current year resulting in a right of use asset and lease liability in the amounts of \$12,002,519 and \$12,208,309, respectively. Amortization expense on the right of use asset for the fiscal year was \$300,063.

**Table A-6
The School's Capital Assets**

	2022	2021	Percentage Change
Right of Use Asset - Facilities	\$ 12,002,519	\$ -	N/A
Construction in Progress	34,824	-	N/A
Less: Accumulated Depreciation	(300,063)	-	N/A
Total School Capital Assets	<u>\$ 11,737,280</u>	<u>\$ -</u>	N/A

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

LONG-TERM LIABILITIES

The School borrowed \$29,000 and entered into a lease for its facilities during the year ended June 30, 2022. The new lease resulted in a lease liability in the amount of \$12,002,519. As of June 30, 2022 and 2021 the School had \$12,247,309 and \$-0- in long-term debt outstanding, respectively (see Table A-7). See additional information in Note 6.

**Table A-7
The School's Long-Term Liabilities**

	2022	2021	Percentage Change
Loans Payable	\$ 29,000	\$ -	N/A
Leases Payable	12,218,309	-	N/A
Total Long-Term Liabilities	<u>\$ 12,247,309</u>	<u>\$ -</u>	N/A
Long-Term Liabilities:			
Due Within One Year	\$ 8,706	\$ -	N/A
Due in More Than One Year	12,238,603	-	N/A
Total	<u>\$ 12,247,309</u>	<u>\$ -</u>	N/A

FACTORS BEARING ON THE SCHOOL'S FUTURE

The School is dependent on the state of Nevada for its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. In addition, enrollment levels have not reached expectations for the School making it difficult, but not impossible, to balance educational program needs against revenue resources.

The School is authorized to operate by the Nevada State Public Charter School Authority (SPCSA). The School's charter contract is effective for six years from July 1, 2021 until June 30, 2027.

The School will continue to be innovative, dynamic, creative, and educationally enriching to drive learning in a positive way. The School believes that all children can learn when taught well and given an opportunity. By looking consistently at our students and the data of our practices, our teachers and students will grow in their development and to great successes in the 21st century. We promote a relationship centered learning environment and believe in nurturing students academically, emotionally, and socially. While state funding formulas may not be sufficient to meet instructional programming needs, the increase in planned enrollment is expected to provide the resources to balance future budgets and build a sufficient fund balance.

**TEACH LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

During the prior fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. For the current fiscal year, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the School, COVID-19 may impact various parts of its 2023 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our constituents, state oversight agencies, lenders, customers, legislative leaders, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Andrea Moore, Executive Director, TEACH Las Vegas, 4660 North Rancho Drive, Las Vegas, NV 89130.

BASIC FINANCIAL STATEMENTS

Tentative - For Discussion Purposes Only, Subject to Change

**TEACH LAS VEGAS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 68,382
Receivables:	
Other Governments	425,744
Other	221,569
Prepaid Items	4,189
Capital Assets, Net of Depreciation	11,737,280
Total Assets	<u>12,457,164</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pensions	127,181
Total Deferred Outflows of Resources	<u>127,181</u>
LIABILITIES	
Salaries and Benefits Payable	95,766
Accounts and Contracts Payable	295,983
Short-Term Borrowing	100,000
Long-Term Liabilities:	
Other Long-Term Liabilities Due Within One Year	8,706
Other Long-Term Liabilities Due in More Than One Year	12,238,603
Total Liabilities	<u>12,739,058</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pensions	-
NET POSITION	
Net Investment in Capital Assets	(481,029)
Restricted for:	
Food Service	26,513
Federal Programs	-
Unrestricted	299,803
Total Net Position	<u>\$ (154,713)</u>

See accompanying Notes to Basic Financial Statements.

**TEACH LAS VEGAS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
				Total Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 1,003,632	\$ -	\$ 486,086	\$ (517,546)
Support Services	830,894	-	-	(830,894)
Operation of Noninstructional Services	163,192	-	-	(163,192)
Miscellaneous	-	-	-	-
Interest and Fiscal Charges on Long-Term Liabilities	543,300	-	-	(543,300)
Total Charter School	<u>\$ 2,541,018</u>	<u>\$ -</u>	<u>\$ 486,086</u>	<u>(2,054,932)</u>
GENERAL REVENUES				
				1,348,883
State Aid Not Restricted to Specific Purposes				-
Interest				520,240
Miscellaneous				<u>1,869,123</u>
Total General Revenues				
CHANGE IN NET POSITION				(185,809)
Net Position - Beginning				<u>31,096</u>
NET POSITION - ENDING				<u>\$ (154,713)</u>

See accompanying Notes to Basic Financial Statements.

**TEACH LAS VEGAS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Fund		Total Governmental Funds
	General	Nonmajor Funds	
ASSETS			
Cash and Investments	\$ 41,869	\$ 26,513	\$ 68,382
Receivables:			
Due from Nevada Department of Education	323,488	48,654	372,142
Due from Federal through Nevada Department of Education	-	53,602	53,602
Due from Other Funds	102,256	-	102,256
Other Receivables	221,569	-	221,569
Prepays	4,189	-	4,189
Total Assets	\$ 693,371	\$ 128,769	\$ 822,140
LIABILITIES AND FUND BALANCE			
Liabilities:			
Salaries Payable	\$ 7,659	\$ -	\$ 7,659
Payroll Deductions and Employer Contributions Payable	88,107	-	88,107
Accounts and Contracts Payable	295,983	-	295,983
Short-Term Borrowing	100,000	-	100,000
Due to Other Funds	-	102,256	102,256
Total Liabilities	491,749	102,256	594,005
Fund Balance:			
Nonspendable:			
Prepays	4,189	-	4,189
Restricted for:			
Food Service	-	26,513	26,513
Unassigned:			
General Fund	197,433	-	197,433
Total Fund Balance	201,622	26,513	228,135
Total Liabilities and Fund Balance	\$ 693,371	\$ 128,769	\$ 822,140

See accompanying Notes to Basic Financial Statements.

**TEACH LAS VEGAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2022**

Total Fund Balance for Governmental Funds	\$	228,135
<p>Total net position reported for governmental activities in the statement of net position is different because:</p> <p>Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p>		
Capital Assets, Net of Depreciation		11,737,280
<p>The School's deferred inflows and outflows are recorded only on the statement of net position. Additionally, the net pension liability is only recorded on the statement of net position. Balances at year-end are:</p>		
Deferred Outflows of Resources - Pensions		127,181
<p>Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:</p>		
Leases Payable		<u>(12,247,309)</u>
Total Net Position of Governmental Activities	\$	<u><u>(154,713)</u></u>

Tentative - For Discussion Purposes Only, Subject to Change

See accompanying Notes to Basic Financial Statements.

TEACH LAS VEGAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Major Fund	Nonmajor Funds	Total Governmental Funds
	General		Funds
REVENUES			
Local Sources:			
Other	\$ 520,240	\$ -	\$ 520,240
State Sources	1,300,229	48,654	1,348,883
Federal Sources	323,488	162,598	486,086
Total Revenues	<u>2,143,957</u>	<u>211,252</u>	<u>2,355,209</u>
EXPENDITURES			
Current:			
Instruction	1,012,152	102,611	1,114,763
Support Services	546,881	-	546,881
Operation of Noninstructional Services	162,405	787	163,192
Capital Outlay	12,037,343	-	12,037,343
Debt Service:			
Principal	327,510	-	327,510
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>14,086,291</u>	<u>103,398</u>	<u>14,189,689</u>
EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES	(11,942,334)	107,854	(11,834,480)
OTHER FINANCING SOURCES (USES)			
Proceeds from Other State and Nonstate Loans Received/Leases	12,031,519	-	12,031,519
Transfers In	82,483	1,142	83,625
Transfers Out	(1,142)	(82,483)	(83,625)
Total Other Financing Sources (Uses)	<u>12,112,860</u>	<u>(81,341)</u>	<u>12,031,519</u>
NET CHANGE IN FUND BALANCE	170,526	26,513	197,039
FUND BALANCE			
Beginning of Year	31,096	-	31,096
End of Year	<u>\$ 201,622</u>	<u>\$ 26,513</u>	<u>\$ 228,135</u>

See accompanying Notes to Basic Financial Statements.

**TEACH LAS VEGAS
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balance - Total Governmental Funds \$ 197,039

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlays	12,037,343
Depreciation and Amortization Expense	(300,063)

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

127,181

The governmental funds report loan proceeds as financing sources, while repayment of loan principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of loan proceeds and related items is as follows:

Proceeds from Loans/Leases	(12,031,519)
Lease Payments	327,510
Lease Interest	(543,300)
	(185,809)

Change in Net Position - Governmental Activities	\$ (185,809)
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See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Tentative - For Discussion Purposes Only, Subject to Change

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Financial Reporting Entity

The School is a nonprofit corporation formed in August 2020, in accordance with Nevada Statutes. The School engaged in planning and start up activities prior to beginning serving students in August 2021. The School is authorized to operate by the Nevada State Public Charter School Authority (SPCSA). The School's charter contract is effective for six years from July 1, 2021 until June 30, 2027.

The School is organized to operate as a K-7 charter school that through rigorous academics, personal excellence, and a small student to teacher ratio, works to prepare all of its students, regardless of zip code, for college and long-term success. The governing body consists of a Board of Directors composed of no less than three, and no more than nine members to serve two-year terms.

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

Component units are legally separate entities for which the School is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit. Based on these criteria, there are no component units as of June 30, 2022.

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Continued)

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

C. Basic Financial Statement Presentation

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

1. Revenue Recognition

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

2. Recording of Expenditures

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

Description of Funds

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

Major Governmental Funds

General Fund

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

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Nonmajor Governmental Funds

Federal Special Revenue Fund

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

State Special Education Special Revenue Fund

The Special Education Fund is used to account for state special education revenues and expenditures. Primary revenue sources in the Special Education Fund are state aids.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Primary revenue sources in the Food Service Fund are meal sales and state and federal aids.

E. Income Taxes

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

F. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the Board of Directors adopts an annual budget for the following fiscal year for the General Fund and the Federal Revenue Fund. Reported budget amounts represent the amended budget as adopted by the Board of Directors. Legal budgetary control is at the fund level.

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

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

TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgeting (Continued)

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

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 2,443,687	\$ -	\$ 2,443,687
<u>Expenditures</u>			
General Fund	\$ 2,511,425	\$ -	\$ 2,511,425

Cash and Investments

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

G. Accounts Receivable

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

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed over the period benefitted.

I. Deferred Outflows/Inflows of Resources

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

TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The School maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the School-wide financial statement but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the School, no salvage value is taken into consideration for depreciation purposes. Useful lives are 7 to 10 ten years for equipment and leasehold improvements.

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

K. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Nevada (NV PERS) and additions to/deductions from NV PERS' fiduciary net position have been determined on the same basis as they are reported by NV PERS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Because the School had not incurred pension contributions on salaries until fiscal 2022, they do not have a pension liability at June 30, 2022 (which is based on a measurement plan dated June 30, 2021) but contributions made in fiscal year 2022 are recorded as deferred outflows.

L. Fund Balance

In the fund financial statements, governmental funds report no spendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance related to prepaid expenses, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Directors. The Board of Directors chose not to pass a resolution authorizing anyone to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts of the General Fund.

TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Balance (Continued)

The School considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment functions.

M. Risk Management

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

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

N. Net Position

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

O. New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. New Accounting Pronouncements (Continued)

The School adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users and requires recognition of right to use assets and corresponding liabilities for SBITA's that meet certain criteria. Management has not yet completed its assessment of this statement.

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

P. Stewardship and Accountability

Excess of Expenditures over Appropriations

The NRS require that governmental fund budgetary controls be exercised at the function level and that proprietary fund operating and nonoperating expenses not exceed the combined operating and nonoperating expenses budget when the respective fund has a deficit net position.

For the year ended June 30, 2022, total expenditures exceeded appropriations for the following fund, which is a potential violation of the NRS:

General Fund	\$11,942,334
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Deficit Fund Balance

At June 30, 2022, there were no funds with a deficit fund balance.

NOTE 2 DEPOSITS

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

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

TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 DEPOSITS (CONTINUED)

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

The School's carrying and bank balances of deposits at June 30, 2022 were \$68,382 and \$71,649, respectively. All deposits were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Nevada Statutes.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Right of Use Asset - Building	\$ -	\$ 12,002,519	\$ -	\$ 12,002,519
Construction in Progress	-	34,824	-	34,824
Total Capital Assets	-	12,037,343	-	12,037,343
Accumulated Depreciation and Amortization for:				
Right of Use Asset	-	(300,063)	-	(300,063)
Total Capital Assets, Net	-	11,737,280	-	11,737,280
Governmental Activities Capital Assets, Net	\$ -	\$ 11,737,280	\$ -	\$ 11,737,280

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

Governmental Activities	
Support Services	\$ 300,063
Total Depreciation Expense, Governmental Activities	\$ 300,063

NOTE 4 DEFINED BENEFIT PENSION PLANS

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

A. Plan Description

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

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided

1. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.
2. Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.
3. Postretirement increases are provided by authority of NRS 286.575 - .579.

C. Vesting

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

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Contributions

1. Nevada Statutes set the rates for employer and employee contributions. Contribution rates are increased/decreased pursuant to NRS 286.421 and 286.450. The Statutory Employer/Employee matching rate and the Employer-pay Contribution rate was 15.50% and 29.75% for the year ended June 30, 2022. The School's contributions to the System for the year ended June 30, 2022 were \$127,181. The School's contributions were equal to the required contributions as set by state statute.

A total of \$127,181 reported as deferred outflows of resources related to pensions resulting from School contributions to the System subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

NOTE 5 SHORT-TERM BORROWING

The School factored various accounts receivable from state aid in order to meet current cash flow needs related to its continued expansion of additional grade levels.

	June 30, 2021	Additions	Retirements	June 30, 2022
Charter Asset Management	\$ 100,000	\$ 250,000	\$ 250,000	\$ 100,000

NOTE 6 LONG-TERM DEBT

The School received a loan Nevada Public Charter School Authority totaling \$29,000 at a 3.25% interest rate that has a maturity date of June 30, 2025.

The School also leases facilities under a long-term, non-cancellable lease agreement that expires on June 30, 2046, with the option to extend for two additional terms: one five-year and another four-year term.

	June 30, 2021	Additions	Retirements	June 30, 2022	Principal Due Within One Year
Leases Payable	\$ -	\$ 12,218,309	\$ -	\$ 12,218,309	\$ -
Loans Payable	-	29,000	-	29,000	8,706
Total	\$ -	\$ 12,247,309	\$ -	\$ 12,247,309	\$ 8,706

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Total future minimum lease payments under the lease agreement are as follows:

Year Ending June 30,	Leases Payable	
	Principal	Interest
2023	\$ (28,283)	\$ 548,452
2024	41,309	548,041
2025	117,873	544,343
2026	143,646	538,437
2027	171,213	531,332
2028-2032	1,339,738	2,502,066
2033-2037	2,362,596	2,091,107
2038-2042	3,752,192	1,410,871
2043-2046	4,318,025	398,505
Total	<u>\$ 12,218,309</u>	<u>\$ 9,113,154</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Building	\$ 12,002,519
Less: Accumulated Amortization	(300,063)
	<u>\$ 11,702,456</u>

NOTE 7 INTERFUND TRANSACTIONS

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

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2022 are temporary loans and are detailed as follows:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 102,256	\$ -
Special Revenue Funds:		
Nonmajor Funds	-	102,256
	<u>\$ 102,256</u>	<u>\$ 102,256</u>

**TEACH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2022 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 82,483	\$ 1,142
Special Revenue Funds:		
Nonmajor Funds	1,142	82,483
	<u>\$ 83,625</u>	<u>\$ 83,625</u>

NOTE 8 SUB-LEASE

In relation to the lease described in note 6, the School, acting as lessor, sub-leases the facilities under a month-to-month, lease agreement. During the year ended June 30, 2022, the School recognized \$520,000 of lease revenue under this agreement.

NOTE 8 COMMITMENTS AND CONTINGENCIES

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

REQUIRED SUPPLEMENTARY INFORMATION

Tentative - For Discussion Purposes Only Subject to Change

**TEACH LAS VEGAS
SCHEDULE OF BUDGET TO ACTUAL COMPARISON –
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Other	\$ 312,000	\$ 312,000	\$ 520,240	\$ 208,240
State Sources	2,131,687	2,131,687	1,300,229	(831,458)
Federal Sources	-	-	323,488	323,488
Total Revenues	<u>2,443,687</u>	<u>2,443,687</u>	<u>2,143,957</u>	<u>(299,730)</u>
EXPENDITURES				
Current:				
Salaries	563,500	563,500	521,990	(41,510)
Employee Benefits	302,871	302,871	165,165	(137,706)
Purchased Services	533,093	533,093	423,732	(109,361)
Supplies	433,510	433,510	576,233	142,723
Other	1,050	1,050	34,318	33,268
Capital Outlay	666,023	666,023	12,037,343	11,371,320
Debt Service:				
Principal	-	-	327,510	327,510
Interest and Fiscal Charges	11,378	11,378	-	(11,378)
Total Expenditures	<u>2,511,425</u>	<u>2,511,425</u>	<u>14,086,291</u>	<u>11,574,866</u>
EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES	(67,738)	(67,738)	(11,942,334)	(11,874,596)
OTHER FINANCING SOURCES				
Proceeds from Other State and Nonstate Loans/Leases Received	529,000	529,000	12,031,519	11,502,519
Transfers In	-	-	82,483	82,483
Transfers Out	-	-	(1,142)	(1,142)
Total Other Financing Sources (Uses)	<u>529,000</u>	<u>529,000</u>	<u>12,112,860</u>	<u>11,583,860</u>
NET CHANGE IN FUND BALANCE	<u>\$ 461,262</u>	<u>\$ 461,262</u>	170,526	<u>\$ (290,736)</u>
FUND BALANCE				
Beginning of Year			<u>31,096</u>	
End of Year			<u>\$ 201,622</u>	

**TEACH LAS VEGAS
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – NEVADA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2022**

	Measurement Date <u>June 30, 2021</u>
School's Proportion of the Net Pension Liability	n/a*
School's Proportionate Share of the Net Pension Liability	n/a*
School's Covered Payroll	n/a*
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	n/a*
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.50%

*The School implemented GASB Statement No. 68 in fiscal 2022, and the above table will be expanded to 10 years as information is available.

Tentative - For Discussion Purposes Only, Subject to Change

**TEACH LAS VEGAS
SCHEDULE OF SCHOOL CONTRIBUTIONS –
NEVADA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2022**

	Fiscal Year Ended June 30, 2022
Statutorily Required Contribution	\$ 127,181
Contributions in Relation to the Statutorily Required Contribution	(127,181)
Contribution Deficiency (Excess)	\$ -
 School's Covered Payroll	 \$ 616,000
 Contributions as a Percentage of Covered Payroll	 20.65%

*The School implemented GASB Statement No. 68 in fiscal 2022, and the above table will be expanded to 10 years as information is available.

Tentative - For Discussion Purposes Only, Subject to Change

**TEACH LAS VEGAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison for the General Fund and Major Special Revenue Fund

A budgetary comparison is presented for the General Fund and for any major special revenue fund that has a legally adopted annual budget. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year-end, actual amounts at fiscal year-end, and amounts over/(under) the final budget.

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

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

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

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

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

For the year ended June 30, 2022, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2021.

The actuarial valuation reports dated June 30, 2021 are the only valuation reports to date of the multiple-employer or cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

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

NOTE 3 EXCESS OF EXPENDITURES OVER BUDGET

	Budget	Expenditures	Excess
General Fund	\$ 2,511,425	\$ 14,086,291	\$ 11,574,866

SUPPLEMENTARY INFORMATION

Tentative - For Discussion Purposes Only, Subject to Change

TEACH LAS VEGAS FINANCIAL FRAMEWORK INFORMATION WORKSHEET YEAR ENDED JUNE 30, 2022

Financial Framework Information Worksheet			
Enter the required data into the highlighted cells for items 1 thru 26.			
1.	School Name	<input style="width: 95%;" type="text" value="TEACH Las Vegas"/>	
2.	School Year	<input style="width: 50%;" type="text" value="2021"/> to <input style="width: 50%;" type="text" value="2022"/>	YYYY to YYYY
3.	Year of Operation	<input style="width: 50%;" type="text" value="2022"/>	Year of contracted operation with the current charter school authorizer
4.	Independent Auditor	<input style="width: 95%;" type="text" value="CliftonLarsonAllen LLP"/>	
SELECT ASSETS			
5.	Cash	<input style="width: 50%;" type="text" value="\$68,382"/>	Source: Statement of Net Position
6.	Proceeds from Bonds	<input style="width: 50%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
7.	Current Assets	<input style="width: 50%;" type="text" value="719,884"/>	Source: Statement of Net Position
8.	NonCurrent Assets	<input style="width: 50%;" type="text" value="11,737,280"/>	Source: Statement of Net Position
9.	Deferred Inflows	<input style="width: 50%;" type="text" value="-"/>	Source: Statement of Net Position
10.	Ending Fund Balance	<input style="width: 50%;" type="text" value="228,135"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
SELECT LIABILITIES			
11.	Deferred Outflows	<input style="width: 50%;" type="text" value="\$127,181"/>	Source: Statement of Net Position
12.	Current Liabilities	<input style="width: 50%;" type="text" value="491,749"/>	Source: Statement of Net Position
13.	Annual Principal	<input style="width: 50%;" type="text" value="327,510"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
14.	NonCurrent Liabilities (Net of PERS pension liability)	<input style="width: 50%;" type="text" value="12,247,309"/>	Source: Statement of Net Position
15.	Outstanding Loan	<input style="width: 50%;" type="text" value="No"/>	(Yes or No) Source: Statement of Net Position/Notes to the audited financial statements
16.	PERS Pension Liability	<input style="width: 50%;" type="text" value="-"/>	Source: Statement of Net Position
SELECT REVENUES			
17.	Revenues - Operating	<input style="width: 50%;" type="text" value="\$2,355,209"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
18.	Revenues - Non Operating	<input style="width: 50%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
SELECT EXPENDITURES			
19.	Expenditures	<input style="width: 50%;" type="text" value="\$14,189,689"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
20.	Interest Expense	<input style="width: 50%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
21.	Depreciation Expense	<input style="width: 50%;" type="text" value="300,063"/>	Source: Notes to the audited financial statements
22.	Capital Expenses Paid with Bond Proceeds	<input style="width: 50%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
NOTICES			
23.	Debt Default	<input style="width: 50%;" type="text" value="No"/>	(Yes or No) Source: Notes to the audited financial statements
24.	Other Legal/Financial Notices	<input style="width: 95%;" type="text" value="None"/>	
ENROLLMENT			
25.	Actual Enrollment	<input style="width: 50%;" type="text" value="120"/>	Source: Actual enrollment from DSA spreadsheet
26.	Projected Enrollment	<input style="width: 50%;" type="text" value="150"/>	Source: Most Recent Approved Budget for applicable fiscal year

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

OTHER REQUIRED REPORTS

Tentative - For Discussion Purposes Only, Subject to Change

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
TEACH Las Vegas
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of TEACH Las Vegas, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise TEACH Las Vegas's basic financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TEACH Las Vegas'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 TEACH Las Vegas's internal control. Accordingly, we do not express an opinion on the effectiveness of TEACH Las Vegas'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 may exist that have not been identified.

Board of Directors
TEACH Las Vegas

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE