

**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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**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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Financial Framework Information Worksheet is presented for purposes of additional analysis and 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.

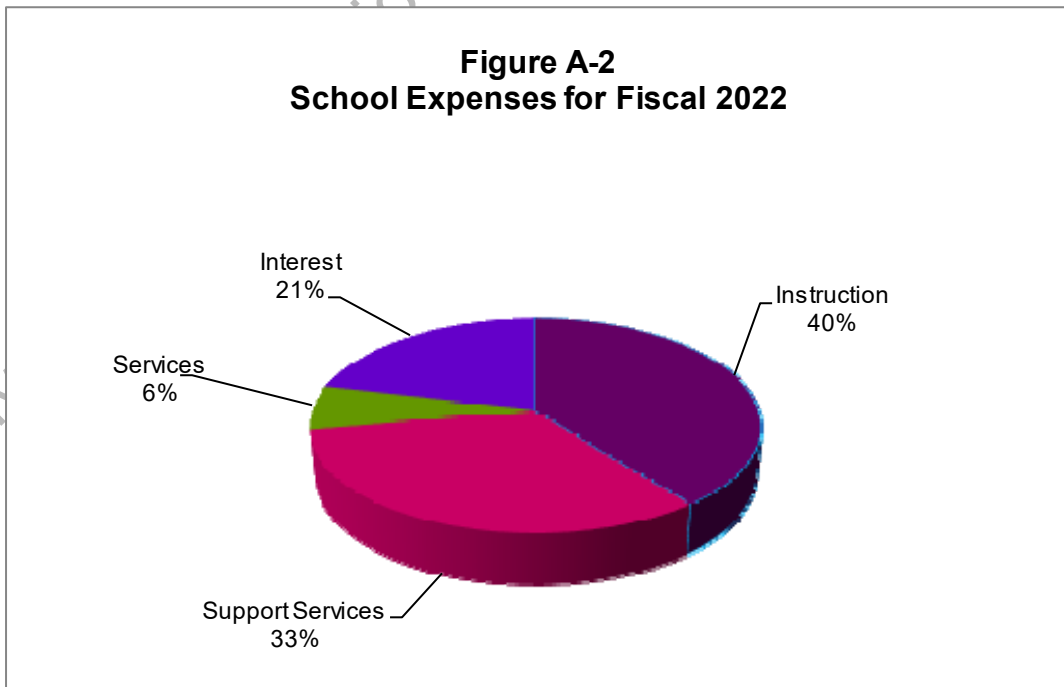
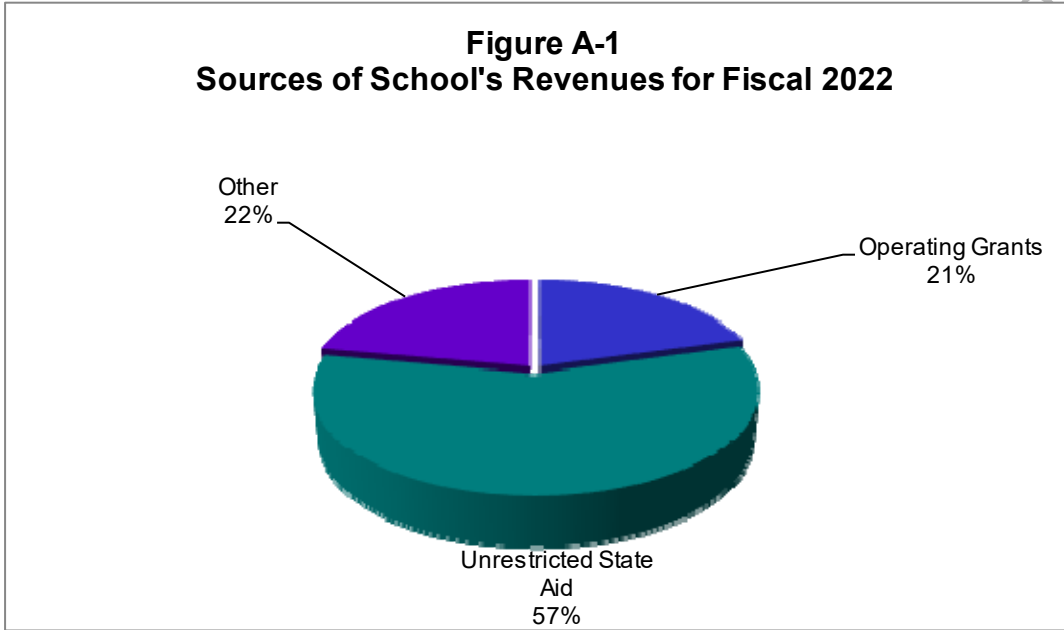
	Governmental Activities for the Period Ended June 30,		Percentage Change
	2022	2021	
<b>Revenues</b>			
<u>Program Revenues</u>			
Operating Grants and Contributions	\$ 486,086	\$ -	N/A
<u>General Revenues</u>			
Unrestricted State Aid	1,348,883	-	N/A
Other	520,240	83,527	522.84 %
Total Revenues	<u>2,355,209</u>	<u>83,527</u>	
<b>Expenses</b>			
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
<b>Change in Net Position</b>	(185,809)	31,096	
Beginning Net Position	<u>31,096</u>	-	
<b>Ending Net Position</b>	<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	\$ 11,737,280	\$ -	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>
<b>ASSETS</b>	
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>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pensions	127,181
Total Deferred Outflows of Resources	<u>127,181</u>
<b>LIABILITIES</b>	
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>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Pensions	-
<b>NET POSITION</b>	
Net Investment in Capital Assets	(481,029)
Restricted for:	
Food Service	26,513
Federal Programs	-
Unrestricted	299,803
Total Net Position	<u><u>\$ (154,713)</u></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) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
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>
<b>GENERAL REVENUES</b>				
				1,348,883
State Aid Not Restricted to Specific Purposes				-
Interest				520,240
Miscellaneous				<u>1,869,123</u>
Total General Revenues				
<b>CHANGE IN NET POSITION</b>				(185,809)
Net Position - Beginning				<u>31,096</u>
<b>NET POSITION - ENDING</b>				<u><u>\$ (154,713)</u></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	
<b>ASSETS</b>			
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
<b>Total Assets</b>	<b>\$ 693,371</b>	<b>\$ 128,769</b>	<b>\$ 822,140</b>
<b>LIABILITIES AND FUND BALANCE</b>			
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
<b>Total Liabilities</b>	<b>491,749</b>	<b>102,256</b>	<b>594,005</b>
Fund Balance:			
Nonspendable:			
Prepays	4,189	-	4,189
Restricted for:			
Food Service	-	26,513	26,513
Unassigned:			
General Fund	197,433	-	197,433
<b>Total Fund Balance</b>	<b>201,622</b>	<b>26,513</b>	<b>228,135</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 693,371</b>	<b>\$ 128,769</b>	<b>\$ 822,140</b>

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**

<b>Total Fund Balance for Governmental Funds</b>	\$	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>
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>(154,713)</u></u></b>

Tentative - For Discussion Purposes Only, Subject to Change

**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		
<b>REVENUES</b>			
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>
<b>EXPENDITURES</b>			
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>
<b>EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES</b>	(11,942,334)	107,854	(11,834,480)
<b>OTHER FINANCING SOURCES (USES)</b>			
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>
<b>NET CHANGE IN FUND BALANCE</b>	170,526	26,513	197,039
<b>FUND BALANCE</b>			
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	<u>(543,300)</u>

Change in Net Position - Governmental Activities \$ (185,809)



**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
<b>Governmental Activities</b>				
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:

<b>Governmental Activities</b>	
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:

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

**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		
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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>
<b>EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES</b>	(67,738)	(67,738)	(11,942,334)	(11,874,596)
<b>OTHER FINANCING SOURCES</b>				
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>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 461,262</u>	<u>\$ 461,262</u>	170,526	<u>\$ (290,736)</u>
<b>FUND BALANCE</b>				
Beginning of Year			31,096	
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 type="text" value="TEACH Las Vegas"/>		
2. School Year	<input type="text" value="2021"/> to <input type="text" value="2022"/>	YYYY to YYYY	
3. Year of Operation	<input type="text" value="2022"/>	Year of contracted operation with the current charter school authorizer	
4. Independent Auditor	<input type="text" value="CliftonLarsonAllen LLP"/>		
<b>SELECT ASSETS</b>			
5. Cash	<input type="text" value="\$68,382"/>	Source: Statement of Net Position	
6. Proceeds from Bonds	<input type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
7. Current Assets	<input type="text" value="719,884"/>	Source: Statement of Net Position	
8. NonCurrent Assets	<input type="text" value="11,737,280"/>	Source: Statement of Net Position	
9. Deferred Inflows	<input type="text" value="-"/>	Source: Statement of Net Position	
10. Ending Fund Balance	<input type="text" value="228,135"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
<b>SELECT LIABILITIES</b>			
11. Deferred Outflows	<input type="text" value="\$127,181"/>	Source: Statement of Net Position	
12. Current Liabilities	<input type="text" value="491,749"/>	Source: Statement of Net Position	
13. Annual Principal	<input type="text" value="327,510"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
14. NonCurrent Liabilities (Net of PERS pension liability)	<input type="text" value="12,247,309"/>	Source: Statement of Net Position	
15. Outstanding Loan	<input type="text" value="No"/>	(Yes or No) Source: Statement of Net Position/Notes to the audited financial statements	
16. PERS Pension Liability	<input type="text" value="-"/>	Source: Statement of Net Position	
<b>SELECT REVENUES</b>			
17. Revenues - Operating	<input type="text" value="\$2,355,209"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
18. Revenues - Non Operating	<input type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
<b>SELECT EXPENDITURES</b>			
19. Expenditures	<input type="text" value="\$14,189,689"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
20. Interest Expense	<input type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
21. Depreciation Expense	<input type="text" value="300,063"/>	Source: Notes to the audited financial statements	
22. Capital Expenses Paid with Bond Proceeds	<input type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance	
<b>NOTICES</b>			
23. Debt Default	<input type="text" value="No"/>	(Yes or No) Source: Notes to the audited financial statements	
24. Other Legal/Financial Notices	<input type="text" value="None"/>		
<b>ENROLLMENT</b>			
25. Actual Enrollment	<input type="text" value="120"/>	Source: Actual enrollment from DSA spreadsheet	
26. Projected Enrollment	<input 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.

**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

Tentative - For Discussion Purposes Only, Subject to Change