TEACH Public Schools

TEACH Special Board Meeting

Date and Time

Thursday December 12, 2024 at 4:00 PM PST

Location

Board Meeting Access Locations CA:
Alternate Public Access Locations:

TEACH Elementary
8505 S Western Ave
Los Angeles, CA 90047

TEACH Tech Charter High School
10616 S Western Ave
Los Angeles, CA 90047

3680 Wilshire Blvd.
Los Angeles CA 90010

3740 S Crenshaw Blvd.
Los Angeles, CA 90016

1340 W 106th St.
Los Angeles, CA 90044

and via zoom:

Topic: TEACH Special Board Meeting
Time: Dec 12, 2024 04:00 PM Pacific Time (US and Canada)
Join Zoom Meeting
https://teachpublicschools-org.zoom.us/j/89174975594
Meeting ID: 891 7497 5594

One tap mobile
+16699006833,,89174975594# US (San Jose)
+17193594580,,89174975594# US

Dial by your location
• +1 669 900 6833 US (San Jose)
• +1 719 359 4580 US
• +1 253 205 0468 US
• +1 253 215 8782 US (Tacoma)
• +1 346 248 7799 US (Houston)
• +1 669 444 9171 US
• +1 929 205 6099 US (New York)
• +1 301 715 8592 US (Washington DC)
• +1 305 224 1968 US
• +1 309 205 3325 US
• +1 312 626 6799 US (Chicago)
• +1 360 209 5623 US
• +1 386 347 5053 US
• +1 507 473 4847 US
• +1 564 217 2000 US
• +1 646 931 3860 US
• +1 689 278 1000 US
Meeting ID: 891 7497 5594
Find your local number: https://teachpublicschools-org.zoom.us/u/kbyASDHcy7

THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE

Notice is hereby given that the order of consideration of matters on this agenda may be change without prior notice.

REASONABLE LIMITATIONS MAY BE PLACED ON PUBLIC TESTIMONY

The Governing Board’s presiding officer reserves the right to impose reasonable time limits on public testimony to ensure that the agenda is completed.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY

Pursuant to the Rehabilitation Act of 1973 and the American with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting TEACH Public Schools during normal business hours at as far in advance as possible, but no later than 24 hours before the meeting.

FOR MORE INFORMATION

For more information concerning this agenda or for materials relating to this meeting, please contact TEACH Public Schools, 1846 W. Imperial Highway. Los Angeles, CA 90047; phone: 323-872-0808; fax 323-389-4898. www.teachpublicschools.org

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Agenda

		Purpose	Presenter	Time
I.	**Opening Items**			**4:00 PM**
A.	Record Attendance		Beth Bulgeron	2 m
B.	Call the Meeting to Order		Cecilia Sandoval	
C.	Public Comment		Cecilia Sandoval	5 m
II.	**Consent Items**			
	Consent Items- Items included as Consent Items will be voted on in one motion, unless a member of the Board requests than an item be removed and voted on separately, in which case the Board Chair will determine when it will be called and considered for action.			
III.	**Items for Potential Action**			**4:07 PM**
A.	Consider and Approve the Spring Semester Renewal for Edmentum Chemistry Teacher for TEACH Tech Charter High School	Vote	Matthew Brown	5 m

The Board will review and consider approval of the renewal contract with EdOptions Academy for the Spring 2025 term. This contract outlines the continuation of virtual instruction services, including both enhanced and standard options, as detailed in the attached agreement. The renewal will provide enhanced virtual instruction for 4 days a week over 18 weeks and an annual subscription for standard academy services. The total contract amount is $57,000, covering licensing and services from January 6,

		Purpose	Presenter	Time
	2025, to January 5, 2026. Approval ensures ongoing access to tailored educational programs supporting student needs.			
B.	Annual Independent Financial Audit Report	Vote	Matthew Brown	5 m
IV.	**Closing Items**			**4:17 PM**
A.	Upcoming Meeting Date: January 28, 2025 at 5 pm The next Regular meeting will be held on Feb	FYI	Cecilia Sandoval	1 m
B.	Adjourn Meeting	Discuss	Cecilia Sandoval	

Coversheet

Consider and Approve the Spring Semester Renewal for Edmentum Chemistry Teacher for TEACH Tech Charter High School

Section: III. Items for Potential Action
Item: A. Consider and Approve the Spring Semester Renewal for Edmentum Chemistry Teacher for TEACH Tech Charter High School
Purpose: Vote
Submitted by:
Related Material: Q-667131-EdOptions Spring renewal-Teach Public.pdf

edmentum

Date:	11/13/2024
Order Number:	Q-667131
Revision:	1
Order Form Expiration Date:	12/31/2024

ORDER FORM

Orders Under $25,000.00 may pay by Credit Card:
Call 214.294.9901 or e-mail creditcardprocessing@edmentum.com

Customer and Billing Address

Customer No.:	628884
Customer Name:	Teach Public Schools
Billing Address:	10600 S. Western Ave Los Angeles, CA 90047

Products and Services

Products	Qty	License Start Date	License End Date	License Term (Months)	Extended Price
EdOptions Academy Enhanced Virtual Instruction - 4 Days per week, up to 18 weeks	5	01/06/2025	05/12/2025	4	$32,000.00
EdOptions Academy Standard	100	01/06/2025	01/05/2026	12	$25,000.00
EdOptions Academy Services	1	01/06/2025	01/05/2026	12	$0.00

Subtotal: $57,000.00

Total US Funds: $57,000.00

This Order shall have an effective date ("Effective Date") which is the earlier of (a) the date we accept your signed Order Form or (b) the earliest of the License Start Dates applicable to the products listed above

To the extent the products listed above include "EdOptions Academy" and "ALVS" enrollment products, they are governed by the terms and conditions listed in Appendix A. For all other products, unless otherwise specified in the products table of this Order Form above, the Start Date for your software subscription license(s) will be the date on which we have accepted your order and have issued log-in credentials. In the case of a purchase for multiple successive subscription licenses, the Start Date for each successive subscription will be the day immediately following the License Term expiration of the preceding license subscription.

Taxes

Prices shown above do not include any state and local taxes that may apply. Any such taxes are the responsibility of the Customer and will appear on the final invoice. If the contracting entity is exempt from sales tax, please send the applicable tax exemption certificate to orders@edmentum.com or attach the certificate to this order form in the Signature section.

Invoicing and Payment Terms

The full amount of Your Order will be invoiced when accepted by Us. Payment is due 15 days after invoice date.

Terms and Conditions

Date:	11/13/2024
Order Number:	Q-667131
Revision:	1
Order Form Expiration Date:	12/31/2024

ORDER FORM

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For the purposes of this Order Form, "you" and "your" refer to Customer, and "we", "us" and "our" refer to Edmentum Inc. and affiliates. This Order Form and any documents it incorporates (including the Standard Purchase and License Terms located at http://www.edmentum.com/standardterms and the documents it references) form the entire agreement between you and us ("Agreement"). You acknowledge that any terms and conditions in your purchase order or any other documents you provide that enhance our obligations or restrictions or contradict the Agreement do not have force and effect.

Purchase Order

You acknowledge that this Agreement is non-cancellable and you will submit a purchase order for the full amount of this Order Form. Your order will not be scheduled for delivery until you have submitted a purchase order referencing and conforming to this Order Form.

Acceptance

This offer will expire on the Order Form Expiration Date noted above unless we earlier withdraw or extend the offer in writing.

I represent that I have read the terms and conditions included in this Agreement, that I am authorized to accept this offer and the Agreement's terms and conditions on behalf of the customer identified above and that I do accept this offer on behalf of the customer who agrees to adhere to the Agreement's terms and conditions. To the extent that either parties process does not require that I execute this Order Form, I accept, acknowledge and agree to the terms and conditions identified in and referenced in this Agreement as signified by my receipt, use or access of the products and/or services identified.

Invoice Contact Information – Please Provide Your Finance Dept Contact Information

First Name:

Last Name:

Email Address:

Customer Signature

Name (Printed or Typed)

Title

Date

Appendix A: EdOptions Academy/ALVS Products

All courses and programs included in the table below will be available for enrollment at the indicated price.

Products	Price

edmentum

Date:	11/13/2024
Order Number:	Q-667131
Revision:	1
Order Form Expiration Date:	12/31/2024

ORDER FORM

Orders Under $25,000.00 may pay by Credit Card:
Call 214.294.9901 or e-mail creditcardprocessing@edmentum.com

EdOptions Academy 18 Week Core Courses	$250.00
EdOptions Academy 18 Week CTE and Elective Courses	$295.00
EdOptions Academy 18 Week Health and Fitness Courses	$295.00
EdOptions Academy 18 Week Advanced Courses	$325.00
EdOptions Academy 18 Week World Language Courses	$325.00
EdOptions Academy 18 Week Advanced World Language Courses	$325.00
EdOptions Academy 18 Week Success Coach Advisory Course	$325.00
EdOptions Academy Extension Fee	$50.00
EdOptions Academy 9 Week Semester Courses	$200.00
EdOptions Academy 9 Week Course Extension Fee	$25.00
EdOptions Academy Test Prep Courses	$295.00
EdOptions Academy Remediation Courses	$295.00

Terms and Conditions for Academy/ALVS Products

Applicable to the purchase of Enrollment Products:

Charges for all Enrollment Products purchased during the Term will be incurred at the prices listed in Appendix A. After your Prepayment Balance has been exhausted, charges for the purchase of Enrollment Products during the Term shall continue to be incurred at the prices listed in Appendix A.

Notwithstanding anything herein to the contrary, Prepayment Balances shall expire after 12 months of enrollment inactivity, measured from the Last Active Enrollment Date.

During the Term, Enrollment Funds may be applied to the purchase, pursuant to this Order, of any Enrollment Product.

For student enrollments during the Term in a specified Enrollment Product for which Prior Order Enrollment Funds have not been exhausted, charges for the purchase of the specified Enrollment Product shall be first drawn down from the Prior Order Enrollment Fund before charges are incurred at the prices listed in Appendix A.

Definitions:

“Enrollment Funds” means payment received for EdOptions Academy Standard Product and Enrollment Products that have not yet been drawn down by Enrollment Product purchases made pursuant to an order.

“Enrollment Products” means those products made available for purchase listed in Appendix A of an order and additional products designated by Edmentum; inquiries regarding such additional products not listed in Appendix A may be submitted to your Edmentum representative.

“License Start Date” means, if not specified in the License Start Date table above or otherwise herein, with respect to each Enrollment Product, the first date any of your students enroll in that Enrollment Product during the Term. If you have Enrollment Funds available from a Prior Order for the same Enrollment Product, the License Start Date for the same Enrollment Product purchased pursuant to this Order shall be the date on which Enrollment Funds from the Prior Order have been exhausted.

“License End Date” if not specified in the table above, means 12 months from the License Start Date.

“Last Active Enrollment” means the most recent enrollment in an Enrollment Product purchased during the Term.

“Last Active Enrollment Date” means the date governed by the Grace Period (described in Appendix A) applicable to the Last Active Enrollment.

“Prepayment Balance” means payments made pursuant to this Order that have not yet been drawn down by Enrollment Product purchases made pursuant to this Order.

Date:	11/13/2024
Order Number:	Q-667131
Revision:	1
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ORDER FORM

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"Prior Order" means an active order for Enrollment Products having an effective date pre-dating this Order's Effective Date.

"Term" means the 12-month period following the Effective Date. If, as of the Term end date we maintain a Prepayment Balance, the Term shall be extended through the 12th month following the Last Active Enrollment Date or the date your Prepayment Balance has been exhausted, whichever is earlier.

Prices identified above do not include taxes and any taxes imposed on your purchases shall be invoiced and payable by you. To the extent that you have not provided a Subsequent Purchase Order to cover your Purchases, upon our request, you will promptly issue a subsequent Purchase Order in the amount we identify to cover such Purchases. You agree to pay all invoices within 15 days of receipt. Although we will generally not invoice you until after you enroll, use, or access, we reserve the right to immediately invoice you for any services you purchase.

For Enrollment Products purchased pursuant to this Order Form, we provide a no charge "Grace Period" per product ("Grace Period"):

Enrollment Product or Instructional Coaching = 14 days
Yearly Enrollment Product = 30 days
Monthly Enrollment Product = 3 days

College Pathways School Year, if purchased, notwithstanding the License Start Date and License End Date definitions above, allows the student access to the College Pathways product for a set 12-month school year with a start date of 8/1 and end date of 7/31.

Active Yearly per Student if purchased, notwithstanding the License Start Date and License End Date definitions above, allows the student access for a 12-month period following initial enrollment date.

Enrollment extensions are available: 2 Weeks - $25. 4 Weeks - $50.

Roles and Responsibilities:

Our Responsibilities
We will administer the program with the support of your staff.

We will be responsible for the following:

- Provide the licensed courses to students using the program.
- Provide qualified teachers for each course (valid for Calvert Digital only if Instructional Support option for Calvert is utilized per Appendix A).
- Provide training through webinar(s) for individuals selected by you to facilitate the program, in accordance with the services you have purchased.
- Provide an online registration and course enrollment process.
- Provide online access to student progress on an ongoing basis to appropriate personnel that you identify.
- Provide access to the online courses that you've licensed 24 hours 7 days a week for student and organization use, subject to normal downtime for updates and maintenance.
- Provide reporting on student progress throughout each course and program.
- Access to learning management system and/or student information system which gives access to student info, student's official gradebook, and communications concerning student.
- Printable access to an enrolled student's copy of unofficial transcript.

Customer Responsibilities
You will work with us to design and implement a program that meets the educational needs of the students selected to participate in the program.

You will be responsible for the following:

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- Designate one person who will be the program administrator. This person will be responsible for coordinating the operation of the program with our staff.
- Arrange for our training to your staff involved in the program. The training will be provided through virtual sessions.
- Submit enrollments using Edmentum's secure student information system. Determine what course(s) students will take and assist administrators in accurately inputting required information.
- Ensure that students participating in this program have regular access to the internet.
- Promptly notify us in the event that you become aware of a change in a policy, law or regulation that impacts the operation of the program or the policies in place governing a student's participation in the program.
- Promptly contact us if a student withdraws, is suspended, or has other status changes that will affect the student's participation or progress in class.
- Using reasonable efforts to ensure that your students understand and adhere to our policies, including but not limited to our Student Code of Conduct policy.

Coversheet

Annual Independent Financial Audit Report

Section: III. Items for Potential Action
Item: B. Annual Independent Financial Audit Report
Purpose: Vote
Submitted by:
Related Material: 01 TEACH FS Draft v12-10.pdf
12.12.24 Updated_TEACH_Audit_Summary_Presentation.pptx

TEACH, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

DRAFT
For Discussion Purposes Only
Subject to Revision

OPERATING:

TEACH Academy of Technologies - #1206

TEACH Tech Charter High School - #1658

TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary - #2004

TEACH, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT	**1**
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**4**
CONSOLIDATED STATEMENT OF ACTIVITIES	**5**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	**6**
CONSOLIDATED STATEMENT OF CASH FLOWS	**7**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	**8**
SUPPLEMENTARY INFORMATION	
SCHEDULE OF INSTRUCTIONAL TIME	**18**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**19**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**20**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**21**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION	**22**
CONSOLIDATING STATEMENT OF ACTIVITIES BY LOCATION	**24**
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION	**25**
NOTES TO SUPPLEMENTARY INFORMATION	**27**
OTHER INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**28**
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*	**29**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE	**31**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE	**34**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**38**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**40**

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For Discussion Purposes Only
Subject to Revision

INDEPENDENT AUDITORS' REPORT

Board of Directors
Teach, Inc.
Los Angeles, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Teach, Inc. (the Organization), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Consolidated financial statements section of our report. We are required to be independent of Teach, Inc. 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

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For Discussion Purposes Only
Subject to Revision

Board of Directors
Teach, Inc.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Organization's consolidated financial statements as a whole. The TEACH Academy of Technologies, TEACH Tech Charter High School, TEACH Preparatory Elementary, TEACH Public Schools, Inc., Cunningham and Morris, LLC, TEACH Foundation, Wooten Avila LLC, and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents) accompanying supplementary schedules, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

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For Discussion Purposes Only
Subject to Revision

Board of Directors
Teach, Inc.

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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the local education agency organization structure but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued a report dated REPORT DATE on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

DRAFT
For Discussion Purposes Only
Subject to Revision

TEACH, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 19,697,097
Accounts Receivable - Federal and State	3,415,448
Accounts Receivable - Other	1,193,873
Prepaid Expenses and Other Assets	256,474
Total Current Assets	24,562,892
LONG-TERM ASSETS	
Restricted Cash and Cash Equivalents	3,200,251
Property, Plant, and Equipment, Net	29,219,032
Total Long-Term Assets	32,419,283
Total Assets	$ 56,982,175

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 2,542,694
Deferred Revenue	4,440,002
Interest Payable	56,917
Note Payable, Current Portion	53,194
Bonds Payable, Current Portion	365,000
Total Current Liabilities	7,457,807
LONG-TERM LIABILITIES	
Note Payable, Net	8,865
Bonds Payable, Net	33,926,515
Total Long-Term Liabilities	33,935,380
Total Liabilities	41,393,187
NET ASSETS	
Without Donor Restrictions	15,588,988
Total Net Assets	15,588,988
Total Liabilities and Net Assets	$ 56,982,175

DRAFT
For Discussion Purposes Only
Subject to Revision

See accompanying Notes to Consolidated Financial Statements.

TEACH, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

REVENUES, WITHOUT DONOR RESTRICTIONS	
State Revenue:	
State Aid	$ 11,742,769
Other State Revenue	5,402,266
Federal Revenue:	
Grants and Entitlements	2,660,724
Local Revenue:	
In-Lieu Property Tax Revenue	3,837,812
Contributions	625
Interest Revenue	815,397
Investment Gain	162,063
Other Revenue	456,719
Total Revenues	25,078,375
EXPENSES	
Program Services	15,932,325
Management and General	8,723,504
Total Expenses	24,655,829
CHANGE IN NET ASSETS	422,546
Net Assets Without Donor Restrictions - Beginning of Year	15,166,442
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 15,588,988

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For Discussion Purposes Only
Subject to Revision

See accompanying Notes to Consolidated Financial Statements.

TEACH, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Total Expenses
Salaries and Wages	$ 6,861,551	$ 2,599,321	$ 9,460,872
Pension Expense	1,043,870	296,635	1,340,505
Other Employee Benefits	759,670	277,519	1,037,189
Payroll Taxes	331,610	126,003	457,613
Management Fees	-	505,643	505,643
Legal Expenses	-	76,835	76,835
Accounting Expenses	-	68,971	68,971
Instructional Materials	1,510,261	43,066	1,553,327
Other Fees for Services	4,870,608	92,087	4,962,695
Advertising and Promotion Expenses	-	82,828	82,828
Office Expenses	-	514,412	514,412
Occupancy Expenses	330,994	477,790	808,784
Travel Expenses	114,836	71,890	186,726
Interest Expense	-	1,757,096	1,757,096
Depreciation Expense	108,925	1,312,178	1,421,103
Amortization Expense	-	8,542	8,542
Insurance Expense	-	281,293	281,293
Other Expenses	-	131,395	131,395
Total Expenses by Function	$ 15,932,325	$ 8,723,504	$ 24,655,829

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For Discussion Purposes Only
Subject to Revision

See accompanying Notes to Consolidated Financial Statements.

TEACH, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 422,546
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,363,503
Amortization of Debt Issuance Cost and Discount	78,745
(Increase) Decrease in Assets:	
Accounts Receivable - Federal and State	(245,750)
Accounts Receivable - Other	(66,497)
Prepaid Expenses and Other Assets	(71,915)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Liabilities	500,109
Deferred Revenue	(979,942)
Interest Payable	(1,581)
Net Cash Provided by Operating Activities	999,218
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property, Plant, and Equipment	(593,967)
Net Cash Used by Investing Activities	(593,967)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayments of Notes/Bonds Payable	(498,735)
Net Cash Used by Financing Activities	(498,735)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(93,484)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	22,990,832
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 22,897,348
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid for Interest	$ 1,757,096
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION	
Cash and Cash Equivalents	$ 19,697,097
Restricted Cash and Cash Equivalents	3,200,251
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Financial Position	$ 22,897,348

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See accompanying Notes to Consolidated Financial Statements.

TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Teach, Inc. (the School) was incorporated in the state of California on January 2, 2001, under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The School is comprised of TEACH Public Schools, Inc. (charter management organization), TEACH Academy of Technologies, TEACH Tech Charter High School, and TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary (TEACH Preparatory Elementary), Cunningham & Morris, LLC, and Wooten Avila, LLC.

TEACH Academy of Technologies petitioned and was approved through Los Angeles Unified School District for a charter for a five-year period ending in 2020 under the Education Code Section 47612 and 47613.5, and began operations in 2010. TEACH Tech Charter High School petitioned and was approved through Los Angeles Unified School District for a charter for a five-year period ending in 2019 under the Education Code Section 47612 and 47613.5, and began operations in 2014. TEACH Preparatory Elementary petitioned and was approved through Los Angeles Unified School District for a charter for a five-year period ending in 2023 under the Education Code Section 47612 and 47613.5, and began operations in August 2018.

The School currently serves approximately 1,000 students in Transitional Kindergarten through Grade 12.

The mission of the School is to create a high quality, innovative teaching, and learning environment that focuses on literacy; integrating state-of-the-art technologies across the core curriculum to achieve academic proficiency for all students.

Cunningham & Morris, LLC, and Wooten Avila, LLC., are limited liability companies whose single member is Teach, Inc. The purpose of the LLCs includes owning and leasing real property to Teach, Inc.

TEACH Inc. Foundation is a nonprofit corporation which was formed to operate exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Teach Inc.

Principles of Consolidation

The consolidated financial statements include the accounts of TEACH, Inc. and its single member limited liability company subsidiary: Cunningham & Morris, LLC and Wooten Avila, LLC, and Teach Inc. Foundation, collectively referred to as the Organization. All material intercompany transactions have been eliminated.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

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Subject to Revision

TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Costs of providing the Organization's programs and other activities have been presented in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources. The expenses that are allocated include management fees, legal, accounting, advertising, travel, interest, depreciation, insurance and other expenses, which are allocated on a directly allocation basis, as well as salaries and wages, benefits, payroll taxes, other fees for service, office expenses, and occupancy, which are allocated on the basis of estimates of time and effort.

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2024. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

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For Discussion Purposes Only
Subject to Revision

TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased, or at estimated fair value, if donated. The Organization capitalizes all expenditures for land, buildings, and equipment in excess $1,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The useful lives range varies from 3 to 35 years.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the Organization is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by the Organization based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the consolidated statement of financial position. As of June 30, 2024, the Organization has conditional grants of $4,586,416 of which $4,440,002 is recognized as deferred revenue in the consolidated statement of financial position.

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Subject to Revision

TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Organization does not allow employees to carryover unused vacation. Accordingly, there were no accumulated absence benefits at June 30, 2024.

Income Taxes

Teach, Inc. and TEACH Foundation are nonprofit entities exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. Teach, Inc. and TEACH Foundation file an exempt Organization return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Cunningham & Morris, LLC and Wooten Avila, LLC are considered disregarded entities and therefore exempted from the payment of income taxes. The LLCs have been granted exemption from the California state LLC fee under California Revenue and Taxation Code.

Leases

The Organization leases operating and office facilities with intercompany parties. All intercompany transactions have been eliminated. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the consolidated statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the consolidated statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statement of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

For Discussion Purposes Only
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Subject to Revision

TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The LLCs owns and leases real property to Teach, Inc. and all transactions are eliminated upon consolidation.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through REPORT DATE, the date these consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of $24,306,418.

As part of its liquidity management plan, the Organization monitors liquidity required and cash flows to meet operating needs on a monthly basis. The Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Organization also maintains cash balances held in banks and revolving funds which are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). Amounts over the FDIC insurance are insured by the bank up to 110%. At times, cash in these accounts exceeds the insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

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Subject to Revision

TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying consolidated financial statements are presented net of accumulated depreciation. Depreciation expense was $1,258,827 as of June 30, 2024.

The components of property, plant, and equipment as of June 30, 2024 are as follows:

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	TEACH Public Schools, Inc.	Cunningham and Morris, LLC	Wooten Avila LLC	Total
Construction in Progress	$ -	$ -	$ -	$ -	$ -	$ 1,314,744	$ 1,314,744
Land	-	-	-	-	3,280,111	900,000	4,180,111
Buildings	-	-	-	-	8,664,401	19,567,084	28,231,485
Leasehold Improvements	747,200	245,129	163,866	79,181	-	-	1,235,376
Furniture, Fixtures, and Equipment	381,189	418,328	207,621	143,948	-	-	1,151,086
Total Property, Plant, and Equipment	1,128,389	663,457	371,487	223,129	11,944,512	21,781,828	36,112,802
Less: Accumulated Depreciation	(740,220)	(343,090)	(179,537)	(95,559)	(2,372,238)	(3,163,126)	(6,893,770)
Property, Plant, and Equipment, Net	$ 388,169	$ 320,367	$ 191,950	$ 127,570	$ 9,572,274	$ 18,618,702	$ 29,219,032

NOTE 5 BONDS PAYABLE

In November 2016, Cunningham & Morris, LLC obtained financing through the CSFA. The amount loaned to the LLC was $12,530,000 to be applied to the finance or refinance certain costs of the acquisition, construction, improvement, equipping and furnishing of charter school facilities. The loan agreement requires the LLC and TEACH, Inc. to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 5.250% to 5.875%.

In December 2019, Wooten Avila, LLC obtained financing through the CSFA. The amount loaned to the LLC was $22,310,000 to be applied to the finance or refinance certain costs of the acquisition, construction, improvement, equipping and furnishing of charter school facilities. The loan agreement requires the LLC and TEACH, Inc. to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 4.00% to 5.00%.

The LLCs is required to maintain in a bond reserve cash account an amount equal to the bond reserve requirement which is calculated as the least of (a) 10% of the proceeds from the bonds (b) maximum annual debt service with respect to the bonds outstanding, (c) 125% of average annual debt service with respect to the bonds or (d) the last bond year only, the total debt service with respect to the bonds outstanding.

Bonds payable are reported on the consolidated statement of financial position, net of a discount of $190,568, net of premium $1,759,420 and net of issue costs of $675,542. The discount, premium and issue costs are amortized to amortization expense over the life of the bonds.

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TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 BOND PAYABLE (CONTINUED)

A portion of the bonds are subject to early redemption at the option of the LLC on any date after June 1, 2026 together with accrued interest.

Future maturities of bonds payable are as follows:

Year Ending June 30,	Cunningham and Morris, LLC	Wooten Avila LLC	Total
2025	$ 175,000	$ 190,000	$ 365,000
2026	190,000	195,000	385,000
2027	200,000	205,000	405,000
2028	210,000	215,000	425,000
2029	220,000	230,000	450,000
Thereafter	10,745,000	20,645,000	31,390,000
Total Future Maturities	11,740,000	21,680,000	33,420,000
Bond Issue Costs	(225,891)	(428,506)	(654,397)
Bond Premium	-	1,709,150	1,709,150
Bond Discount	(183,238)	-	(183,238)
Total Bond Payable	$ 11,330,871	$ 22,960,644	$ 34,291,515

NOTE 6 NOTE PAYABLE

In August 2018, the Organization obtained a note payable in the amount of $372,360. The note is secured by modular buildings previously purchase by the Organization. The note does not have a stated interest rate, but requires monthly payments of $5,721 and has an imputed interest rate of 7.55%. The note matures on July 1, 2025. The balance as of June 30, 2024 was $62,060.

Future maturities under note payable are as follows:

Year Ending June 30,	Amount
2025	$ 53,194
2026	8,865
Total Future Maturities	$ 62,059

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TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 PARTICIPATION IN JOINT POWERS AUTHORITY

The Organization entered into a Joint Powers Agreement (JPA) known as "CharterSAFE" through the California Charter Schools Association Joint Powers Authority (CCSA-JPA), a self-insurance plan for workers' compensation, property/casualty, and school board liability insurance. The CCSA-JPA is governed by a board consisting of a representative from each member organization. The board controls the operation of the CCSA-JPA including selection of management and approval of operating budgets, independent of any influence by the member organizations beyond their representation on the board. Each member organization pays a premium commensurate with the level of coverage requested and share surpluses and deficits proportionate to their participation in the CCSA-JPA. The CCSA-JPA is a separate entity which is audited by an independent accounting firm.

NOTE 8 EMPLOYEE RETIREMENT

Multiemployer Defined Benefit Pension Plans

Qualified employees are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature, and (c) if the Organization chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the Plan. The Organization has no plans to withdraw from this multiemployer plan.

State Teachers' Retirement System (STRS)

Plan Description

The Organization contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The Plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2023 total STRS plan net assets are $316.9 billion, the total actuarial present value of accumulated plan benefits is $455 billion, contributions from all employers totaled $7.738 billion, and the plan is 75.9% funded. The Organization did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

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TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The Organization's contributions to STRS for the past three years are as follows:

Year Ending June 30,	Required Contribution	Percent Contributed
2022	$ 776,277	100%
2023	$ 956,982	100%
2024	$ 1,164,675	100%

Public Employees' Retirement System (PERS)

Plan Description

The Organization contributes to the Organization Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2023, the Organization Employer Pool total plan assets are $84.3 billion, the present value of accumulated plan benefits is $120.5 billion, contributions from all employers totaled $4.457 billion, and the plan is 70% funded. The Organization did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS' annual financial reports may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 and www.calpers.ca.gov.

Funding Policy

Active plan members are required to contribute 8.0% of their salary for Public Employees' Pension Reform Act (PEPRA) members and 7.0% of their salary for classic members. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for year ended June 30, 2024 was 26.68%. The contribution requirements of the plan members are established and may be amended by state statute.

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TEACH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 EMPLOYEE RETIREMENT (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Funding Policy (Continued)

The Organization's contributions to PERS for each of the last three years are as follows:

Year Ending June 30,	Required Contribution	Percent Contributed
2022	$ 108,576	100%
2023	$ 132,834	100%
2024	$ 175,152	100%

NOTE 9 CONTINGENCIES, RISKS AND UNCERTAINTIES

The Organization has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

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SUPPLEMENTARY INFORMATION

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TEACH, INC.
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2024

	Instructional Minutes		Traditional	
	Requirement	Actual	Calendar Days	Status
TEACH Preparatory Elementary:				
Grade TK/K	36,000	57,510	180	In compliance
Grade 1	50,400	57,510	180	In compliance
Grade 2	50,400	57,510	180	In compliance
Grade 3	50,400	60,210	180	In compliance
Grade 4	54,000	60,210	180	In compliance
TEACH Academy of Technologies:				
Grade 5	54,000	64,755	180	In compliance
Grade 6	54,000	64,755	180	In compliance
Grade 7	54,000	64,755	180	In compliance
Grade 8	54,000	64,755	180	In compliance
TEACH Tech Charter High School:				
Grade 9	64,800	64,915	180	In compliance
Grade 10	64,800	64,915	180	In compliance
Grade 11	64,800	64,915	180	In compliance
Grade 12	64,800	64,915	180	In compliance

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

TEACH, INC.
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2024

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
TEACH Preparatory Elementary:				
Grades TK/K-3	191.26	191.26	191.87	191.87
Grade 4	46.39	46.39	46.34	46.34
ADA Totals	237.65	237.65	238.21	238.21
TEACH Academy of Technologies:				
Grades 5-6	185.12	185.12	185.18	185.18
Grades 7-8	225.16	225.16	222.66	222.66
ADA Totals	410.28	410.28	407.84	407.84
TEACH Tech Charter High School:				
Grades 9-12	365.01	365.01	350.02	350.02
ADA Totals	365.01	365.01	350.02	350.02
ADA Totals	1,012.94	1,012.94	996.07	996.07

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

TEACH, INC.
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary
June 30, 2024 Annual Financial Report			
Fund Balances (Net Assets)	$ 7,165,914	$ 8,363,249	$ 3,407,636
Adjustments and Reclassifications:			
Increase (Decrease) of Fund Balance (Net Assets):			
Cash and Cash Equivalents	153,809	2,119	(3,371)
Accounts Receivable - Federal and State	(124,751)	(154,592)	1,797,171
Accounts Receivable - Other	2,071,942	355,570	(842,947)
Prepaid Expenses and Other Assets	17,745	451	-
Property, Plant, and Equipment, Net	(841,124)	9,159	-
Accounts Payable and Accrued Liabilities	(1,250,898)	(292,281)	(699,624)
Deferred Revenue	(76,108)	74,749	(574,521)
Net Adjustments and Reclassifications	(49,385)	(4,825)	(323,292)
June 30, 2024 Audited Financial Statement			
Fund Balances (Net Assets)	$ 7,116,529	$ 8,358,424	$ 3,084,344

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

TEACH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Identification	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	Total
U.S. Department of Education							
Pass-Through Program from California Department of Education:							
Every Child Succeeds Act							
Title I, Part A, Basic Grants: Low-Income and Neglected	84.010	14329		$ 197,043	$ 189,912	$ 111,154	$ 498,109
Title II, Part A, Teacher Quality	84.367	14341		19,303	18,946	11,440	49,689
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15391		17,375	15,062	10,000	42,437
Special Education Cluster - IDEA Basic Local Assistance	84.027	13379		104,803	90,954	60,708	256,465
Total Special Education Cluster				104,803	90,954	60,708	256,465
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):							
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	COVID-19	65,641	39	-	65,680
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	COVID-19	77,537	39,116	194,665	311,318
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	COVID-19	83,812	75,308	62,698	221,818
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	COVID-19	14,794	16,976	6,801	38,571
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	COVID-19	25,733	26,264	11,723	63,720
Total CARES Act:				267,517	157,703	275,887	701,107
Total U.S. Department of Education				606,041	472,577	469,189	1,547,807
U.S. Department of Agriculture							
Pass-Through Program from California Department of Education:							
Child Nutrition Cluster:							
National School Lunch Program	10.555	N/A		449,574	302,334	361,009	1,112,917
Total Child Nutrition Cluster				449,574	302,334	361,009	1,112,917
Total U.S. Department of Agriculture				449,574	302,334	361,009	1,112,917
Total Federal Expenditures				$ 1,055,615	$ 774,911	$ 830,198	$ 2,660,724

N/A - Pass-through entity number not readily available or not applicable.

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

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TEACH, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION
JUNE 30, 2024

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	TEACH Public Schools, Inc.	Cunningham and Morris, LLC	TEACH Foundation	Wooten Avila LLC	Eliminations	Consolidated Total
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	$ 5,749,444	$ 8,267,444	$ 4,054,417	$ 1,174,739	$ 89,505	$ -	$ 361,548	$ -	$ 19,697,097
Accounts Receivable - Federal and State	1,405,096	1,148,485	861,867	-	-	-	-	-	3,415,448
Accounts Receivable - Other	651,518	365,707	132,688	38,300	3,323	2,337	-	-	1,193,873
Intercompany Receivables	2,746,725	340,534	2,045,986	1,731,905	-	-	349	(6,865,499)	-
Prepaid Expenses and Other Assets	92,005	247,720	139,606	23,978	-	-	3,625	(250,460)	256,474
Total Current Assets	10,644,788	10,369,890	7,234,564	2,968,922	92,828	2,337	365,522	(7,115,959)	24,562,892
LONG-TERM ASSETS									
Restricted Cash and Cash Equivalents	-	-	-	-	1,138,570	-	2,061,681	-	3,200,251
Deferred Rent Asset	-	-	-	-	184,488	-	-	(184,488)	-
Operating Right-of-Use Asset	17,675,544	15,368,509	11,569,246	-	-	-	-	(44,613,299)	-
Property, Plant, and Equipment, Net	388,169	320,367	191,950	127,570	9,572,274	-	18,618,702	-	29,219,032
Total Long-Term Assets	18,063,713	15,688,876	11,761,196	127,570	10,895,332	-	20,680,383	(44,797,787)	32,419,283
Total Assets	$ 28,708,501	$ 26,058,766	$ 18,995,760	$ 3,096,492	$ 10,988,160	$ 2,337	$ 21,045,905	$ (51,913,746)	$ 56,982,175

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

TEACH, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)
JUNE 30, 2024

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	TEACH Public Schools, Inc.	Cunningham and Morris, LLC	TEACH Foundation	Wooten Avila LLC	Eliminations	Consolidated Total
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts Payable and Accrued Liabilities	$ 748,888	$ 326,530	$ 1,030,724	$ 436,552	$ -	$ -	$ -	$ -	$ 2,542,694
Intercompany Payables	1,209,260	1,476,787	1,202,708	2,046,335	923,433	-	6,976	(6,865,499)	-
Deferred Revenue	1,755,401	580,542	2,104,059	-	-	-	108,493	(108,493)	4,440,002
Deferred Rent Liability, Current Portion	-	-	-	-	-	-	53,018	(53,018)	-
Deficit Investment in Subsidiary	-	-	-	3,548,254	-	-	-	(3,548,254)	-
Interest Payable	-	-	-	-	56,917	-	-	-	56,917
Operating Lease Liability, Current Portion	313,172	265,745	199,872	-	-	-	-	(778,789)	-
Note Payable, Current Portion	53,194	-	-	-	-	-	-	-	53,194
Bonds Payable, Current Portion	-	-	-	-	175,000	-	190,000	-	365,000
Total Current Liabilities	4,079,915	2,649,604	4,537,363	6,031,141	1,155,350	-	358,487	(11,354,053)	7,457,807
LONG-TERM LIABILITIES									
Intercompany Deposit Payable	-	-	-	-	-	-	141,967	(141,967)	-
Operating Lease Liability, Net	17,503,192	15,050,738	11,374,053	-	-	-	-	(43,927,983)	-
Note Payable, Net	8,865	-	-	-	-	-	-	-	8,865
Bonds Payable, Net	-	-	-	-	11,155,871	-	22,770,644	-	33,926,515
Total Long-Term Liabilities	17,512,057	15,050,738	11,374,053	-	11,155,871	-	22,912,611	(44,069,950)	33,935,380
Total Liabilities	21,591,972	17,700,342	15,911,416	6,031,141	12,311,221	-	23,271,098	(55,424,003)	41,393,187
NET ASSETS									
Without Donor Restrictions	7,116,529	8,358,424	3,084,344	(2,934,649)	(1,323,061)	2,337	(2,225,193)	3,510,257	15,588,988
Total Net Assets	7,116,529	8,358,424	3,084,344	(2,934,649)	(1,323,061)	2,337	(2,225,193)	3,510,257	15,588,988
Total Liabilities and Net Assets	$ 28,708,501	$ 26,058,766	$ 18,995,760	$ 3,096,492	$ 10,988,160	$ 2,337	$ 21,045,905	$ (51,913,746)	$ 56,982,175

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

TEACH, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES BY LOCATION
YEAR ENDED JUNE 30, 2024

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	TEACH Public Schools, Inc.	Cunningham and Morris, LLC	TEACH Foundation	Wooten Avila LLC	Eliminations	Consolidated Total
REVENUES, WITHOUT DONOR RESTRICTIONS									
State Revenue:									
State Aid	$ 4,288,206	$ 4,744,854	$ 2,709,709	$ -	$ -	$ -	$ -	$ -	$ 11,742,769
Other State Revenue	2,227,317	1,716,921	1,458,028	-	-	-	-	-	5,402,266
Federal Revenue:									
Grants and Entitlements	1,055,615	774,911	830,198	-	-	-	-	-	2,660,724
Local Revenue:									
In-Lieu Property Tax Revenue	1,568,398	1,360,937	908,477	-	-	-	-	-	3,837,812
Contributions	-	625	-	-	-	-	-	-	625
Net Deficit from Ownership in Subsidiary	-	-	-	(639,764)	-	-		639,764	-
Interest Revenue	194,203	538,424	82,770	-	-	-	-	-	815,397
Investment Gain	-	-	-	-	62,771	-	99,292	-	162,063
Other Revenue	-	-	-	2,859,691	861,429	-	1,302,416	(4,566,817)	456,719
Total Revenues	9,333,739	9,136,672	5,989,182	2,219,927	924,200	-	1,401,708	(3,927,053)	25,078,375
EXPENSES									
Program Services	6,478,425	6,576,449	4,171,577	646,431	-	-	-	(1,940,557)	15,932,325
Management and General	2,611,063	2,524,777	1,390,456	1,842,523	1,187,749	-	1,777,923	(2,610,987)	8,723,504
Total Expenses	9,089,488	9,101,226	5,562,033	2,488,954	1,187,749	-	1,777,923	(4,551,544)	24,655,829
CHANGE IN NET ASSETS (DEFICIT)	244,251	35,446	427,149	(269,027)	(263,549)	-	(376,215)	624,491	422,546
Net Assets Without Donor Restrictions - Beginning of Year	6,872,278	8,322,978	2,657,195	(2,665,622)	(1,059,512)	2,337	(1,848,978)	2,885,766	15,166,442
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 7,116,529	$ 8,358,424	$ 3,084,344	$ (2,934,649)	$ (1,323,061)	$ 2,337	$ (2,225,193)	$ 3,510,257	$ 15,588,988

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

TEACH, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION
YEAR ENDED JUNE 30, 2024

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	TEACH Public Schools, Inc.	Cunningham and Morris, LLC	TEACH Foundation	Wooten Avila LLC	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Change in Net Assets	$ 244,251	$ 35,446	$ 427,149	$ (269,027)	$ (263,549)	$ -	$ (376,215)	$ 624,491	$ 422,546
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:									
Depreciation	104,878	63,374	49,598	21,777	462,616	-	661,260	-	1,363,503
Amortization of Debt Issuance Cost and Discount	-	-	-	-	15,872	-	62,873	-	78,745
Change In Net Deficit for Investment in Subsidiary	-	-	-	639,764	-	-	-	(639,764)	-
(Increase) Decrease in Assets:									
Accounts Receivable - Federal and State	280,384	(461,814)	(64,320)	-	-	-	-	-	(245,750)
Accounts Receivable - Other Deposits	(14,721)	(25,338)	2,782	(31,871)	799	-	1,852	-	(66,497)
Intercompany Receivables	(2,333,140)	195,048	(674,730)	(1,627,628)	-	-	-	4,440,450	-
Prepaid Expenses and Other Assets	(31,366)	(35,938)	2,549	(7,160)	-	-	-	-	(71,915)
Deferred Rent Asset	-	-	-	-	9,824	-	-	(9,824)	-
Operating Right-of-Use Asset	280,697	256,789	193,264	-	-	-	-	(730,750)	-
Increase (Decrease) in Liabilities:									
Accounts Payable and Accrued Liabilities	(112,028)	153,402	365,279	93,456	-	-	-	-	500,109
Intercompany Payables	1,104,983	1,307,983	708,744	471,738	847,002	-	-	(4,440,450)	-
Deferred Rent Liability	-	-	-	-	-	-	(2,710)	2,710	-
Deferred Revenue	(359,435)	(675,620)	58,614	-	-	-	(3,501)	-	(979,942)
Operating Lease Liability	(307,598)	(254,290)	(191,249)	-	-	-	-	753,137	-
Interest Payable	-	-	-	-	(1,581)	-	-	-	(1,581)
Net Cash Provided by Operating Activities	(1,143,095)	559,042	877,680	(708,951)	1,070,983	-	343,559	-	999,218
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchases of Property, Plant, and Equipment	759,109	(181,225)	(24,725)	(101,473)	(839,672)	-	(205,981)	-	(593,967)
Net Cash Used in Investing Activities	759,109	(181,225)	(24,725)	(101,473)	(839,672)	-	(205,981)	-	(593,967)
CASH FLOWS FROM FINANCING ACTIVITIES									
Repayments of Notes/Bonds Payable	(53,195)	-	-	-	(170,000)	-	(275,540)	-	(498,735)
Net Cash Used by Financing Activities	(53,195)	-	-	-	(170,000)	-	(275,540)	-	(498,735)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(437,181)	377,817	852,955	(810,424)	61,311	-	(137,962)	-	(93,484)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	6,186,625	7,889,627	3,201,462	1,985,163	1,166,764	-	2,561,191	-	22,990,832
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 5,749,444	$ 8,267,444	$ 4,054,417	$ 1,174,739	$ 1,228,075	$ -	$ 2,423,229	$ -	$ 22,897,348

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

TEACH, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION (CONTINUED)
YEAR ENDED JUNE 30, 2024

	TEACH Academy of Technologies	TEACH Tech Charter High School	TEACH Preparatory Elementary	TEACH Public Schools, Inc.	Cunningham and Morris, LLC	TEACH Foundation	Wooten Avila LLC	Eliminations	Consolidated Total
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION									
Cash Paid for Interest	$ 15,460	$ -	$ -	$ -	$ 699,140	$ -	$ 1,042,496	$ -	$ 1,757,096
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION									
Cash and Cash Equivalents	$ 5,749,444	$ 8,267,444	$ 4,054,417	$ 1,174,739	$ 89,505	$ -	$ 361,548	$ -	$ 19,697,097
Restricted Cash and Cash Equivalents	-	-	-	-	1,138,570	-	2,061,681	-	3,200,251
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Financial Position	$ 5,749,444	$ 8,267,444	$ 4,054,417	$ 1,174,739	$ 1,228,075	$ -	$ 2,423,229	$ -	$ 22,897,348

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

TEACH, INC.
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization complied with the provisions of California Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED CONSOLIDATED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited consolidated financial statements.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 5 INDIRECT COST RATE

The Organization has elected to use a rate other than the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 6 SUPPLEMENTARY STATEMENTS BY LOCATION AND ENTITY

These statements report the financial position, activities and cash flows for each of TEACH, Inc.’s charter schools, departments, and subsidiaries.

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OTHER INFORMATION

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TEACH, INC.
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

The **Error! No document variable supplied.** was established in the state of California on January 2, 2001, when it was granted its charter under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The **Error! No document variable supplied.** was granted its charter by the Los Angeles Unified School District (the District) and its charter school status from the California Department of Education. The charter may be revoked by the District for material violations of the charter, failure to meet or make progress toward student outcomes, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

The charter schools operated and charter numbers are as follows:

TEACH Academy of Technologies – charter number 1206

TEACH Tech Charter High School – charter number 1658

TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary – charter number 2004

The Board of Directors and the Administrator as of June 30, 2024 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (2-Year Term)
Cecilia Sandoval	Board Chair	May 2024
Spencer Burrows	Secretary	May 2025
Marc Maye	Member	March 2026
Austin Dragon	Member	July 2025
James Lobdell	Member	September 2024

ADMINISTRATOR

Raul Carranza	Superintendent

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

Board of Directors
Teach, Inc.
Los Angeles, California

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 consolidated financial statements of Teach, Inc. (the Organization), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, the related notes to the consolidated financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Board of Directors
Teach, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE

Board of Directors
Teach, Inc.
Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Teach, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

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Board of Directors
Teach, Inc.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Board of Directors
Teach, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors
Teach, Inc.
Los Angeles, California

Report on Compliance

Opinion on State Compliance

We have audited Teach, Inc.'s (the Organization) compliance with the types of compliance requirements applicable to the Organization described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2024. The Organization's applicable State compliance requirements are identified in the table below.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are applicable to the Organization for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state programs.

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Board of Directors
Teach, Inc.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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For Discussion Purposes Only
Subject to Revision

Board of Directors
Teach, Inc.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the Organization's compliance with the laws and regulations applicable to the following items:

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable[1]
Immunizations	Not Applicable[2]
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Not Applicable[3]
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes[4]
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable[5]
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable[6]
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable[1]: The Organization did not report ADA pursuant to Education Code section 51749.5.

Not Applicable[2]: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable[3]: The Organization did not receive a CTEIG allocation for the audit year.

Yes[4]: Applicable only for TEACH Preparatory Elementary. Not applicable for TEACH Academy of Technologies and TEACH Tech Charter High School.

Not Applicable[5]: The Organization did not report ADA to the CDE as generated through nonclassroom-based instruction (independent study).

Not Applicable[6]: The Organization did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

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Board of Directors
Teach, Inc.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

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For Discussion Purposes Only
Subject to Revision

TEACH, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

Consolidated Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ____x____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425C	Expanded Learning Opportunities (ELO) Grant GEER II
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund & ESSER III Learning Loss
84.425U	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs & ELO ESSER III Learning Loss

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____x____ yes _____ no

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TEACH, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

All audit findings must be identified as one or more of the following categories:

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Section II – Consolidated Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Findings and Questioned Costs – State Compliance

There were no findings or questioned costs related to state awards for June 30, 2024.

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TEACH, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

There were no findings and questioned costs related to the consolidated financial statements, federal awards, or state awards for the prior year.

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Subject to Revision

TEACH, Inc. Audit Summary

Fiscal Year Ending June 30, 2024

Presented by: Matt Brown, CFO/COO

Purpose of the Annual Independent Audit

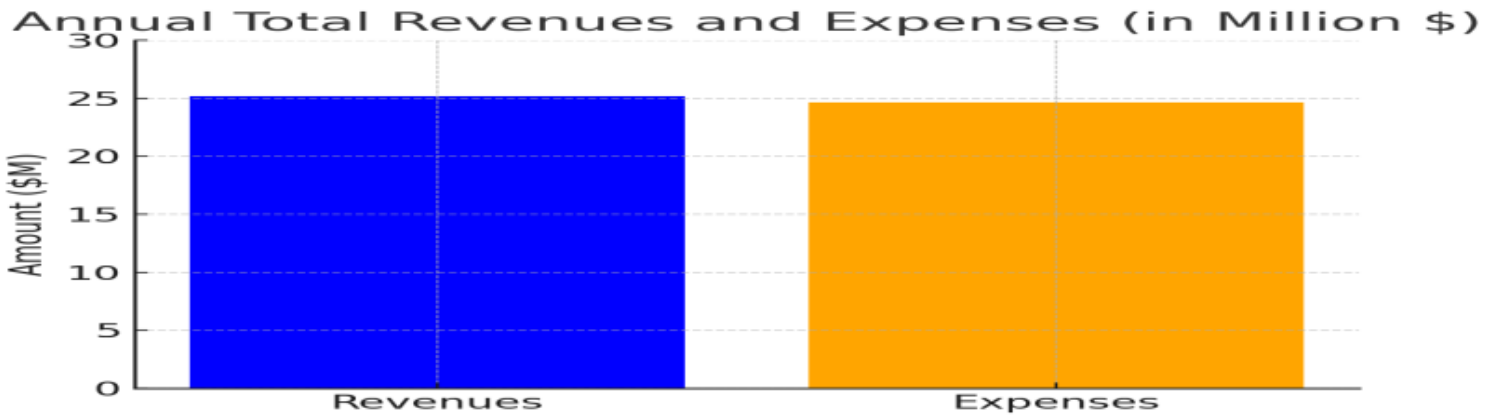
- Ensure Financial Transparency: Confirms fair and accurate financial reporting.
- Demonstrate Compliance: Verifies adherence to federal, state, and local regulations.
- Support Stakeholder Confidence: Reassures stakeholders about TEACH's financial stewardship.

Audit Overview

- Independent Auditor: CliftonLarsonAllen LLP
- Opinion: Unmodified (clean opinion)
- Financial statements present a fair and accurate view in compliance with U.S. GAAP.
- Scope: Consolidated financial statements for TEACH, Inc., including all locations and entities.

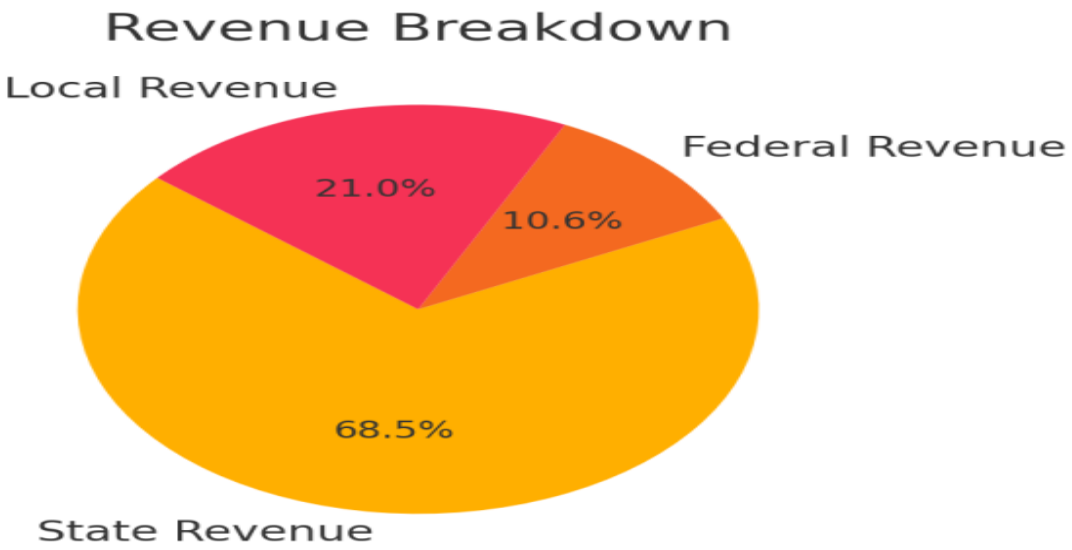
Annual Revenues and Expenses

- Total Revenues - $25,078,375
- Total Expenses - $24,655,829
- Net Increase in Assets: $0.51 million



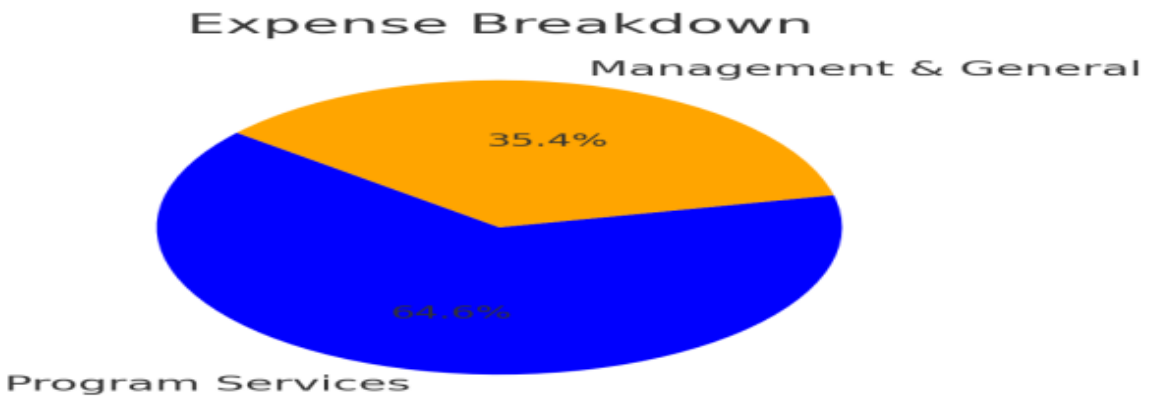
Revenue Breakdown

- State Revenue: $17.23 million
- Federal Revenue: $2.66 million
- Local Revenue: $5.28 million



Expense Breakdown

- Total Expenses - $24,655,829
    - Program Services: $15.93 million (64%)
    - Management & General: $8.72 million (36%)



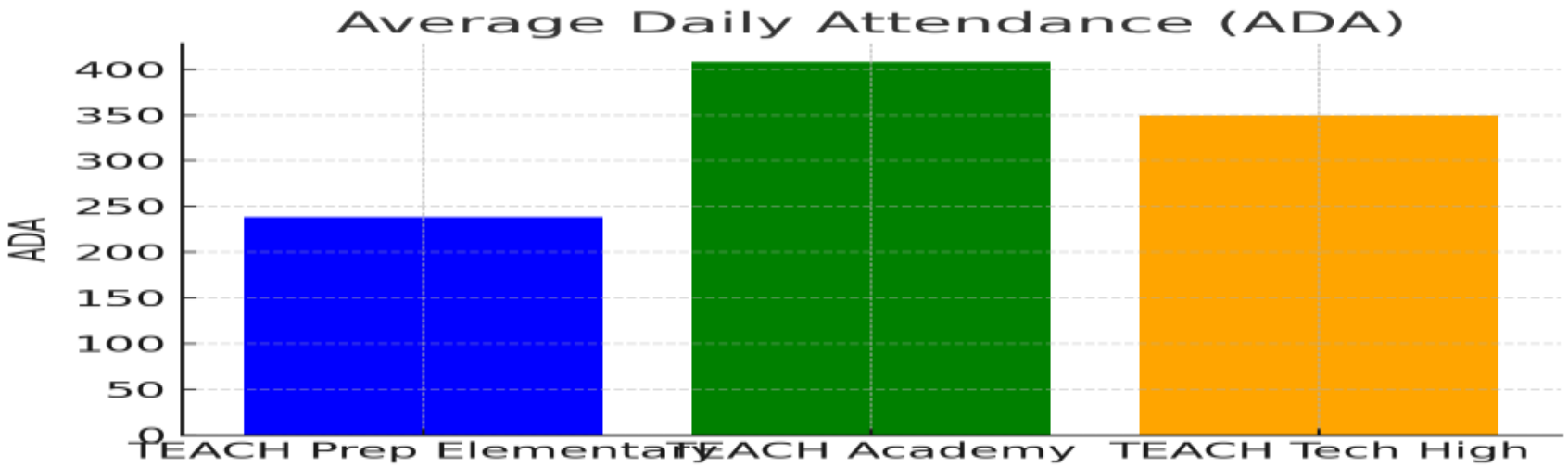
Financial Highlights

- Total Assets: $56.98 million
- Total Liabilities: $41.30 million
- Net Assets: $15,588,988: (Increase of $511K)



Attendance and Instructional Compliance

- Instructional Time: Fully in compliance for all TEACH schools.
- Average Daily Attendance (ADA):
  - TEACH Prep Elementary: 238.21
  - TEACH Academy: 407.84
  - TEACH Tech High: 350.02



Key Takeaways

- 1. TEACH, Inc. maintains a strong financial position with increasing net assets.
- 2. No compliance issues or material weaknesses were identified in the audit.
- 3. Continued focus on ADA and effective financial management will sustain growth and compliance.

Additional Key Highlights

- Operational Efficiency:
  - Program services: $15.93M (64% of total expenses), showing a focus on student outcomes.
- Strong Financial Oversight:
  - No material weaknesses or compliance issues identified.
- Growth and Stability:
  - Net assets increased by $511K, signaling strong financial health.

Closing

- Thank You!
- Questions or clarifications?