

**Nevada State Public Charter School Authority**  
**2021 Application for a**  
**Charter School Revolving Loan**  
(Pursuant to Nevada Revised Statute 388A.432)  
**Submission Window is January 1, 2021 - March 15, 2021**

Charter School Name: Las Vegas Collegiate

School Street Address: 2657 Windmill Pkwy Suite 210

City: Las Vegas State: NV Zip: 89074

Contact Name: Biante Gainous Phone: 702-762-2254

Mailing Address: 2657 Windmill Pkwy Suite 210

City: Las Vegas State: NV Zip: 89074

Title: Executive Director email: [bgainous@lvccs.org](mailto:bgainous@lvccs.org)

**Chartering Entity (School District or State Public Charter School Authority):**

State Public Charter School Authority

Term of Charter (xx/xx/xx) 07/01/21 to (xx/xx/xx) 06/30/27 Opening Date (xx/xx/xx) 08/02/21

Loan Amount Requested: \$ 81,000 Repayment Period Requested (1, 2 or 3 years): 3 years

Number of Students to be Enrolled:			
K-5	6-8	9-12	Total K-12
162	-	-	162

The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Nevada Revised Statute 388A.432. I certify that the above information and supporting documents are true and correct to the best of my knowledge and that any loan funds received as a result of this application will be used in accordance with Nevada Revised Statute 388A.435 and all other applicable state and federal laws. By signing this document the entity that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school.

Signature of Governing Body President

  
Jill C. Schreidl (Mar 11, 2021 11:05 PST)

Printed Name

Jill Schreidl

Date

March 9, 2021

STATE PUBLIC CHARTER SCHOOL AUTHORITY



2021 CHARTER SCHOOL LOAN APPLICATION

**Nevada State Public Charter School Authority Application for a Charter School  
Revolving Loan (Pursuant to Nevada Revised Statute 388A.432 et seq.)**

**THE REVOLVING LOAN PROGRAM**  
**FOR NEVADA CHARTER SCHOOLS**

The State Public Charter School Authority (SPCSA) is pleased to announce that the Legislature of the State of Nevada has created an Account within the State General Fund, administered by the SPCSA, from which to issue a Revolving Loan.

Any Charter School in the State of Nevada may, pursuant to NRS 388A and NAC 388A, apply for a Revolving Loan, no matter the sponsor.

The total amount of a Revolving Loan that may be made to a charter school must not exceed the lesser of an amount equal to \$500 per pupil enrolled, or to be enrolled, at the charter school or \$200,000.

The authorized uses of the loans are for costs consistent with NRS 388A.435, approved by the board of the charter school and identified in the loan application, pursuant to NRS 388A.435 as follows:

- (a) "In preparing a charter school to commence its first year of operation;
- (b) To improve a charter school that has been in operation; and
- (c) To fund recruitment of teachers and pupils to new charter school facilities and enrollment of pupils in such facilities."

Repayment shall be made pursuant to NAC 388A.675 including that the Department of Education shall deduct from the apportionments made to the charter school pursuant to NRS 387.124, an amount of money equal to the annual repayment amount of the loan, including interest.

Repayments must also be made in equal amounts during the period of repayment, which must not exceed 3 years, agreed upon by the governing body of the charter school and the State Public Charter School Authority.

The rate of interest for Revolving Loans made from the Account is to be an interest rate at or below market rate to charter schools. This rate is currently the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date of the transaction. See NAC 388A.675 Repayment of loans. (NRS 385.080, 388A.110, 388A.438).

No fees or points are assessed to the applicant charter school.

An application for a Revolving Loan must be submitted by the governing body of a charter school to the SPCSA "on or after January 1 and on or before March 15 or on or after July 1 and on or before October 15 of the calendar year in which the loan will be made" (NAC 388A.665). The State Public Charter School Authority may, upon request of the governing body of a charter school and for good cause shown, accept an application for a loan from the Account at any time.

**Tentative Funding Planning Calendar**

### Revolving Loan Application

	<b>Deadlines</b>
<b>Spring Application Cycle (March Submission Deadline)</b> (Possible disbursement as early as June)	
<b>Spring Cycle Revolving Loan Applications accepted</b>	<b>Jan 1 – Mar 15</b>
Application submittal start date	Jan 1
Application submittal end date (deadline)	March 15
Application presented to SPCSA board	April (~19 <sup>th</sup> ) (>~50 days)
Funding request before Interim Finance Committee (IFC) (if approved by SPCSA board)	next scheduled meeting of the IFC after SPCSA Board approval
Funds released (if approved)	as early as June
<b>Fall Application Cycle (October Submission Deadline)</b> (Possible disbursement as early as February)	
<b>Fall Cycle Revolving Loan Applications accepted</b>	<b>Jul 1 — Oct 15</b>
Application submittal start date	July 1
Application submittal end date (deadline)	October 15
Application presented to SPCSA board	December
Funding request before IFC (if approved by SPCSA board)	next scheduled meeting of the IFC after SPCSA Board approval
Funds released (if approved)	as early as February

*SPCSA and IFC dates are subject to change, with or without notice.*

In determining whether to approve an application, the SPCSA Board will, pursuant to NAC 388A.670, consider the:

- (a) Reliability of the business plan submitted with the application;
- (b) Ability of the charter school to obtain financial assistance from other sources;
- (c) Information submitted in the application; and
- (d) Effect of approval of the application on the equitable geographic distribution throughout this State of loans from the Account.

Regarding the priority of Revolving Loan applications, the SPCSA Board will “grant priority for loans from the Account to those charter schools with approved loan applications that will use the money obtained from the loan in preparing to commence the first year of operation,” pursuant to

NAC 388A.670 (1) and NAC 388A.670 reserves the authority to determine which schools will be loaned certain amounts according to the priorities of the school.

### **Eligibility Requirements**

To determine whether an applicant is eligible to be approved for a Revolving Loan, the SPCSA will consider the school's creditworthiness and its academic, financial, and organizational performance.

### **LOAN APPLICATION INSTRUCTIONS**

An application for a loan from the Account must be submitted by the governing body of a charter school to the SSPCSA as described above, pursuant to NRS 388A and NAC 388A, including NAC 388A.665. The Revolving Loan application is separated into 3 tracks. Please choose one or more tracks which best suit your loan application:

- (a) To prepare a charter school to commence its first year of operation;**
- (b) To improve a charter school that has been in operation, including campus expansions; and
- (c) To fund recruitment of teachers and pupils to new charter school facilities and enrollment of pupils in such facilities.

### **Specific Section Requirements**

***Using the corresponding numbered list below, all applications must:***

#### **Section 1**

**Exhibit 1.1** Complete the Revolving Loan Application Cover Page.

**Exhibit 1.2** Include an Executive Summary (may be included in a letter from the school board of directors requesting the Revolving Loan). The Executive Summary may be one paragraph which states that the board is requesting a loan on behalf of the elementary campus of the Las Vegas Collegiate Charter School in the amount of \$81,000, for a term of 3 years, to be used for the purpose(s) of establishing a solid financial position and build a healthy cash revenue for operational purposes.

**Exhibit 1.3** If the charter school is sponsored by a local school district or a college or university within the Nevada System of Higher Education: **N/A**

- a) Provide a letter of endorsement from the sponsor of the charter school.
- b) For a school that is already in operation this letter shall include supporting documentation and evidence of the school's academic performance for up to the preceding three years and a statement describing any findings based on the annual performance audit pursuant to NRS 388A.405 and any findings under the performance framework for the charter school pursuant to NRS 388A.270. Additionally, the letter shall provide a history of the school's most recent three years' Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which lead to the ratings.

- i. For any findings and for any 2-star or lower ratings referenced in the letter above, the school shall provide a detailed discussion of the strategies the school will employ to address the underlying issues.

**OR**

If the charter school is sponsored by the State Public Charter School Authority and is already in operation: **N/A**

- a) Provide a summary of any findings under the State Public Charter School Authority Charter School Performance Framework for up to the preceding three years, including supporting documentation and evidence outlining the specific areas in need of improvement. Additionally, the school shall provide a history of the school's most recent three years' Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which led to the ratings. Reports prepared by the State Public Charter School Authority for the charter school containing this information may be incorporated by reference.
  - i. For any findings and for any 2-star or lower ratings referenced above, the school shall provide a detailed discussion of the strategies the school has or will employ to address the underlying issues.

**Exhibit 1.4** Provide a resolution and copy of the minutes, draft or final, of the governing body authorizing submission of the loan application.

**Please see Attachment 7**

**Exhibit 1.5** Provide the signatures of each member of the governing body on a statement acknowledging that the school is responsible for repayment of the loan even in the event of the closure of the charter school.

**Exhibit 1.6** If the charter school is an operational charter school provide: **N/A**

- a) A statement of the financial history of the applicant by completing and attaching the most recent three years of audited financial statements,
- b) Three credit references for the applicant,
- c) EIN Number, and
- d) DUNS Number (*if available*).

**OR** If the charter school is not yet operational:

- a) Provide a copy of the internal financial controls and procedure controls of the school and a letter from a certified public accountant attesting that the internal financial controls and procedure controls therein are, in the opinion, of the CPA, not unreasonable and are such as to provide reasonable assurances of repayment of the Revolving Loan to the SPCSA.<sup>1</sup>:
  - i. Preparation and maintenance of financial statements and records in accordance with generally accepted accounting procedures (GAAP),
  - ii. Payroll procedures,

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<sup>1</sup> If a school received charter approval less than 60 days prior to the due date of this loan application, it may provide an assurance that the controls will be established and documented prior to the issuance of the loan.

- iii. Accounting for contributions and grants,
- iv. Procedures for the creation and review of interim and annual financial statements (should specify, the individual(s) that will be responsible for preparing and reviewing such financial statements and ensuring that they contain valid and reliable data),
- v. Existence of appropriate internal financial controls and procedures,
- vi. Safeguarding of assets including cash and equipment,
- vii. Compliance with applicable laws and regulation,
- viii. Ensuring that the purchasing process results in the acquisition of necessary goods and services at the best price, and
- ix. In demonstrating status of aforementioned controls, the school should include:
  - 1. A description of the control,
  - 2. If the control is currently operational, and
  - 3. Who at the Charter School is responsible for the control.

Please see **Attachment 3** for the Las Vegas Collegiate’s Board letter of assurances and **Attachment 8** for the Fiscal Policies and Procedures.

**Exhibit 1.7** Using the standard state budget format

([https://doe.nv.gov/uploadedFiles/ndedoenvgov/content/Charter\\_Schools/Documents/BudgetCharterSchoolsSY19-20.xlsx](https://doe.nv.gov/uploadedFiles/ndedoenvgov/content/Charter_Schools/Documents/BudgetCharterSchoolsSY19-20.xlsx)), provide a statement of the monthly cash flow for the operation of the charter school for each year of the proposed loan term, including, without limitation, an identification of the amount and timing of receipt of revenue relating to the amount and timing of expenditures. In excel, provide a budget for the charter school for the fiscal year in which the loan is received and for each fiscal year of the proposed period for repayment of the loan. The budget must:

- a) Include an identification of all sources of revenue and expenses,
- b) Include the cost for repayment of the loan, and
- c) Be accompanied by a written narrative explaining each of the assumptions made in developing the budget.

**Please see Attachment 4 for the Budget Narrative and Attachment 5 for the Budget Template.**

**Section 2**

**Exhibit 2.1** Describe the proposal of the charter school to repay the loan, consistent with NAC 386.445.

Las Vegas Collegiate intends to borrow \$81,000 on a 3-year term repayment to assist with initial cash flow entering the first year of operation in 2021-22. Las Vegas Collegiate intends to utilize the first year of operations to establish a solid financial position and build a healthy cash reserve for operational purposes. Subsequently, in year 2 and 3 (fiscal years 2022-23 and 2023-24 respectively), Las Vegas Collegiate will make 24 equal monthly installment payments to repay the principal plus interest of the Revolving Loan Fund loan. For details, please see the 3-year cashflow projections on **Attachment 6**.

**Exhibit 2.2** Detail the financial needs of the charter school including a detailed enumeration and explanation of the costs to be covered by this loan.

Due to the timing of receipt of state DSA and federal revenues, the school will have an initial cash flow need to cover ongoing operational costs in the early months, including facility rent and staff salaries. We anticipate that the loan proceeds will go towards rent expenses in the first two months preceding the start of school, totaling \$30,000. The remaining \$51,000 will be used to cover staff salaries and benefits.

**Exhibit 2.3** Provide a list of the anticipated expenses for which the funds obtained from the loan will be used.

We anticipate that the loan proceeds will go towards rent expenses in the first two months preceding the start of school, totaling \$30,000. The remaining \$51,000 will be used to cover staff salaries and benefits.

**Exhibit 2.4** Explain the effect that receipt of the loan will have on the operation of the charter school. Specially, in the event that the school is unable to obtain this loan, identify which of the costs detailed above will be modified or eliminated.

The loan enables the school to focus its cash on hand on preparing the facility and classrooms with the instructional supplies and furniture necessary for an operating school. If the school is unable to obtain the loan, the expenses, salaries and benefits tagged to be funded by this loan will not change. Instead, the school will incur additional expenses to secure other financing. The charter can seek out a factoring company such as Charter Asset Management and pay a financing fee. This option is much more expensive and will only be used if there are no other options.

**Exhibit 2.5** Describe the effect, if any that receipt of the loan will have on the ability of the governing body or the charter school to obtain other financial assistance from public and private sources. If there are any other loans or grants which are contingent upon obtaining this loan, please describe those in detail and provide supporting documentation.

Las Vegas Collegiate has a substantial need because the school is a startup and faces significant expense pressures. Having sufficient working capital to open the school would favorably position the school to achieve its charter objectives. The school staff will be able to focus on the curriculum and operations rather than worry about how to manage negative cash flow.

The revolving loan will assist Las Vegas Collegiate in procuring additional funds as the school demonstrates solid progress towards achieving its charter objectives. The program will help the school retain and attract students and further raise its community profile. By offering the program as described in the petition, Las Vegas Collegiate hopes to garner community financial support.

Furthermore, the additional cash will allow the organization to shift some executive attention away from daily financial pressures towards making investments in fundraising and grant writing. Since effective fund raising often takes months to set in place, it is important that the school have a runway of financial stability to carry the school while additional funds are obtained.

**Exhibit 2.6** Provide a detailed plan for the use of the funds obtained from the loan. Describe how this loan will enhance the credit of the charter school.



The funds will be used to pay facility rent and staff salaries and benefits in the first two months of operation. This loan enhances the school's credit in that the school will be able to make timely payments to vendors. By establishing a solid credit history and positive cash flow, the school becomes a better candidate to apply for credit cards or a line of credit in its second year.

### Section 3

**Exhibit 3.1** If a member of the governing body or a member of the school's leadership team with day-to-day responsibility in academics or business operations and finance has, or had, an association or affiliation with another charter school in this State or another state<sup>2</sup>:

- a) Provide a statement as to whether the school is still in operation. If the school is not in operation, please report the date and reason for the closure of the school. Please note whether the member of the governing body was a board member or staff member of the school at the time of the closure or in the three-year period leading up to the closure. Provide current contact information for the most recent charter school authorizer and any past authorizer of the charter school.

David Blodgett, a member of the Las Vegas Collegiate board, is the Executive Director of Nevada Preparatory Charter School, also located in the Valley and authorized through the SPCSA.

- b) Provide a statement of the financial history of the charter school with which the member has or had such an association or affiliation.

David Blodgett is the executive director of Nevada Prep Charter School (registered as "Las Vegas Preparatory" with the IRS). The school is in its third school year of operation, and both of the audit reports to-date are provided for reference. There were no findings in either audit."

- c) The most recent three years of audited financial statements for the period when the individual was associated with the charter school. If the audited financials were included as part of a charter application filed on or after July 1, 2015 that information may be incorporated by reference.

Please see **Attachment 9**.

**Exhibit 3.2** Provide detailed enrollment projections and a comprehensive marketing, and recruitment plan that demonstrate the school has sufficient capacity to exceed the enrollment projections and maintain a sufficient wait list to ensure repayment in the event some students withdraw from school. Please use the marketing plan template attached to this document and submit as **Attachment 1**. Applicants may wish to enhance the marketing plan with additional school-specific strategies including, but not limited to, social media and advertising in addition to the grassroots strategies identified for all applicants.

**Exhibit 3.3** Attach the business plan for the charter school.

- a) For schools that are seeking to expand their enrollment, within the new or existing facility, please attach the expansion business plan documentation as **Attachment N/A**. Applicants are welcome to use this business plan as the format for any

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<sup>2</sup>The provisions of this paragraph apply regardless of whether the member has terminated the association or affiliation.

amendment request to a sponsor which has not adopted a standard amendment request template.

- b) For schools that have already supplied the information in this business plan as part of their expansion amendment with the State Public Charter School Authority (November 2015 and after) the amendment application may be incorporated by reference.
- c) For New Charter Schools, please provide a copy of your charter application. Schools that were approved by the State Public Charter School Authority may incorporate their charter application by reference.

Las Vegas Collegiate is a newly approved charter school. Please refer to the SPCSA Board meeting minutes on December 17, 2019 for a

## **OPERATOR APPLICANT INSTRUCTIONS**

### **Specifications**

- Please submit the loan application to [dpeltier@spsca.nv.gov](mailto:dpeltier@spsca.nv.gov) and [mdang@spsca.nv.gov](mailto:mdang@spsca.nv.gov).
- It is the responsibility of the applicant to ensure that the content is complete, detailed, and easily understood and followed by reviewers.
- All narrative elements of the application must be typed with 1-inch page margins and 11-point Cambria font, single-spaced.
- All headings must be in 11, 12, or 14 point Cambria font.
- Tables may be in either 11 or 10 point Cambria font.
- Each section (financial history, governing board member signatures, etc.) must begin on a separate page, as indicated in the numbered list.
- All pages must be consecutively numbered in the footer, including all attachments.
- The table of contents must identify the page number of each section of the required documents.
- Schools are encouraged to utilize Microsoft Word's cross-referencing features to allow for automatic updates to page numbers within the document for any element discussed in more than one section. Simply referring reviewers to content in another section or expecting reviewers to seek out and infer an answer from information which may or may not be found in an attachment is unacceptable and will be deemed unresponsive. Petitioners are expected to exercise appropriate judgement in balancing responsiveness with excessively duplicative content. It is highly advisable to answer the question posed and refer the reviewer to additional contextual information that will inform review with transitional and referential phrases such as "As discussed in greater detail in the Section \_\_ beginning on page \_\_, the school will..." and "Reviewers seeking more information on \_\_ may wish to refer to the section labeled \_\_ beginning on page \_\_. More specifically, the school will..."
- References and citations should be placed in the footer.
- The name of each section and attachment, e.g. "Attachment 1," etc. must be placed in the footer to facilitate easy review and navigation of the materials using the corresponding numbered list. Bookmarking of individual sections and attachments in Acrobat is strongly encouraged to enhance readability and facilitate a thorough review.
- Schools are encouraged to use Microsoft Word's styles features (<http://shaunakelly.com/word/styles/stylesms.html>) to manage formatting, provide for bookmarking and cross-referencing, and facilitate the generation of the table of contents and other features through the heading styles functionality.
- If a particular question does not apply to your team or application, simply respond with an explanatory sentence identifying the reason this question is not applicable to your school **AND** including the term "not applicable" within the sentence.

## **Guidance and Resources for Applicants**

Schools are encouraged to familiarize themselves with **current** Nevada law and regulations relating to charter schools. As Nevada's statutes and regulations are continuing to evolve, it is advisable to monitor and evaluate all changes to ensure that any proposed changes to the charter meet current expectations. The Authority does not have the capacity or the statutory authority to provide individual guidance or legal advice. Charter schools are encouraged to consult the Charter School Association of Nevada and an attorney who is well versed in charter school law for guidance in interpreting those elements of statute and regulation for which the Authority has not incorporated its policy expectations in this document.

Nevada Revised Statutes: NRS 388A et seq. contains the vast majority of law pertaining to charter schools: <https://www.leg.state.nv.us/NRS/NRS-388A.html>. Other NRS chapters bear on charter schools and should also be reviewed.

Nevada Administrative Code: NAC 388A et seq. contains the vast majority of regulations pertaining to charter schools: <https://www.leg.state.nv.us/NAC/NAC-388A.html>. NAC 386.010 through 386.472 as well as other regulations also govern the administration of the state's charter school programs and should be consulted. NAC 388A.665 describes loan application requirements. NRS 388A.435 describes authorized uses.

Finally, applicable SPCSA documentation and applications must also be reviewed. Those considering applying for a Revolving Loan may contact the SPCSA for further information.



## Table of Contents

<b>Attachment</b>	<b>Page #</b>
Attachment 1: Community Plan	14
Attachment 2: Board Request Letter	16
Attachment 3: Board Assurances Letter	18
Attachment 4: Budget Narrative	19
Attachment 5: Budget Template	23
Attachment 6: MYP Budget	78
Attachment 7: Board Agenda & Draft Minutes	87
Attachment 8: Fiscal Policies & Procedures	93
Attachment 9: NV Prep Financials	104

## Current School Options: Existing Schools within 10 miles:

<b>School Name:</b> Matt Kelly Elementary School				
<b>Enrollment/Academic Data</b>				
<b>Current Enrollment:</b> 347	<b>Grade Levels:</b> K-5	<b>Building Capacity:</b>		<b>% Variance Overcrowding:</b>
<b>18-19 Enrollment</b> 327	<b>19-20 Enrollment</b> N/A	<b>20-21 Enrollment</b> N/A	<b>21-22 Enrollment</b> N/A	<b>22-23 Enrollment</b> N/A
<b>18-19 Star Rating</b> 1	<b>19-20 Star Rating</b> N/A	<b>20-21 Star Rating</b> N/A	<b>21-22 Star Rating</b> N/A	<b>22-23 Star Rating</b> N/A
<b>Demographics</b>				
<b>African Am. %:</b> 69%	<b>Hispanic %:</b> 20%	<b>Caucasian %:</b> 5%		<b>Asian %:</b> 0%
<b>Native Am. %:</b> 2%	<b>FRPL%:</b> 100%	<b>LEP %:</b> 8%		<b>Special Education %:</b> 20%
<b>Known Issues:</b> Well below the district's and state's average proficiency in math, English, and science. 11 percent overall proficiency.				
<b>Friends/Political/Community Supporters:</b>				
<b>School Name:</b> Wendell P. Williams				
<b>Enrollment/Academic Data</b>				
<b>Current Enrollment:</b> 358	<b>Grade Levels:</b> K-5	<b>Building Capacity:</b>		<b>% Variance Overcrowding:</b>
<b>18-19 Enrollment</b> 358	<b>19-20 Enrollment</b> N/A	<b>20-21 Enrollment</b> N/A	<b>21-22 Enrollment</b> N/A	<b>22-23 Enrollment</b> N/A
<b>18-19 Star Rating</b> 1	<b>19-20 Star Rating</b> N/A	<b>20-21 Star Rating</b> N/A	<b>21-22 Star Rating</b> N/A	<b>22-23 Star Rating</b> N/A
<b>Demographics</b>				
<b>African Am. %:</b> 65%	<b>Hispanic %:</b> 28%	<b>Caucasian %:</b> 2%		<b>Asian %:</b> 1%
<b>Native Am. %:</b> 0%	<b>FRPL%:</b> 100%	<b>LEP %:</b> 10%		<b>Special Education %:</b> 16%
<b>Known Issues</b> Well below the district's and state's average proficiency in math, English, and science. 17 percent overall proficiency.				
<b>Friends/Political/Community Supporters:</b>				
<b>School Name:</b> Rainbow Dreams				
<b>Enrollment/Academic Data</b>				
<b>Current Enrollment:</b> 227	<b>Grade Levels:</b> K-8	<b>Building Capacity:</b>		<b>% Variance Overcrowding:</b>
<b>18-19 Enrollment</b> 227	<b>19-20 Enrollment</b> N/A	<b>20-21 Enrollment</b> N/A	<b>21-22 Enrollment</b> N/A	<b>22-23 Enrollment</b> N/A
<b>18-19 Star Rating</b> 1	<b>19-20 Star Rating</b> N/A	<b>20-21 Star Rating</b> N/A	<b>21-22 Star Rating</b> N/A	<b>22-23 Star Rating</b> N/A
<b>Demographics</b>				
<b>African Am. %:</b>	<b>Hispanic %:</b>	<b>Caucasian %:</b>		<b>Asian %:</b>

<b>78%</b>	<b>10%</b>	<b>2%</b>	<b>0%</b>
<b>Native Am. %:</b> <b>0%</b>	<b>FRPL%:</b> <b>100%</b>	<b>LEP %:</b> <b>0%</b>	<b>Special Education %:</b> <b>4%</b>
<b>Known Issues:</b> Well below the district's and state's average proficiency in math, English, and science. 19 percent overall proficiency.			
<b>Friends/Political/Community Supporters:</b>			



### Board of Directors

David Blodgett  
 Leland Brandon, *Vice Chair*  
 Brent Erwin, *Treasurer*  
 Maliq Kendricks  
 Dwight Sanders  
 Kathleen Simon  
 Jill Schreidl, *Chair*  
 Lauren Torre, *Secretary*

### Founder/Executive Director

Biante' Gainous

March 7, 2021

State Public Charter School Authority  
 North Stewart Street Suite 40  
 Carson City, Nevada 89706

SPCSA Board,

Las Vegas Collegiate intends to borrow \$81,000 on a 3-year term repayment assist with initial cash flow entering the first year of operation in 2021-22. Las Vegas Collegiate intends to utilize the first year of operations to establish a solid financial position and build a healthy cash reserve for operational purposes. Subsequently, in year 2 and 3 (fiscal years 2022-23 and 2023-24 respectively), Las Vegas Collegiate will make 24 equal monthly installment payments to repay the principal plus interest of the Revolving Loan Fund loan. For details, please see the 3-year cashflow projections on Attachment 2.

The Board understands the responsibility of Las Vegas Collegiate to repay the loan within the terms even in the event of a school closure.

We appreciate all time and attention to this matter. If there are any additional questions, please reach out to us at 702.762.2254 or [LVCBoard@lvccs.org](mailto:LVCBoard@lvccs.org).

Committed to Excellence,

**Jill C. Schreidl**

[Jill C. Schreidl \(Mar 11, 2021 11:40 PST\)](#)

Jill Schreidl, *Board Chair*

[Leland Brandon \(Mar 10, 2021 08:40 PST\)](#)

Leland Brandon, *Vice Chair*

**Brent Erwin**

[Brent Erwin \(Mar 11, 2021 12:59 PST\)](#)

Brent Erwin, *Treasurer*

[Lauren Torre \(Mar 11, 2021 16:52 PST\)](#)

Lauren Torre, *Secretary*

**David Blodgett**

[David Blodgett \(Mar 11, 2021 15:58 PST\)](#)

David Blodgett, *Member*

**Dwight Sanders**

[Dwight Sanders \(Mar 11, 2021 16:51 PST\)](#)

Dwight Sanders, *Member*

**Maliq Kendricks**

[Maliq Kendricks \(Mar 11, 2021 16:46 PST\)](#)

Maliq Kendricks, *Member*

**Kathleen Simon**

[Kathleen Simon \(Mar 11, 2021 16:33 PST\)](#)

Kathleen Simon, *Member*



[www.lasvegascollegiate.org](http://www.lasvegascollegiate.org)  
702.762.2254 LVCBoard@lvccs.org



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March 7, 2021

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 Carson City, Nevada 89706

SPCSA Board,

Within this letter, we provide assurances that Las Vegas Collegiate, nor any Board members, has any legal or regulatory action or proceedings levied that may impact the financial viability of the school. Las Vegas Collegiate has compensating controls and segregation of duties to ensure financial health and stability. Las Vegas Collegiate has a contract with EdTec as a back office provider to support fiscal management including accounting, payroll, legal compliance, and other compensating controls that support segregation of duties and healthy fiscal management. We assure that Las Vegas Collegiate, staff, nor Board members have ever been party to any incidents involving fraud, malfeasance, corruption, or matters involving health and safety when there was allegation of serious harm to the public, employees, or the environment.

Please review Attachment 8 for the Las Vegas Collegiate Fiscal Policies and Procedures.

The Board understands the responsibility of Las Vegas Collegiate to repay the loan within the terms even in the event of a school closure.

We appreciate all time and attention to this matter. If there are any questions, please reach out to us at 702.762.2254 or [LVCBoard@lvccs.org](mailto:LVCBoard@lvccs.org).

Committed to Excellence,

**Jill C. Schreidl**

[Jill C. Schreidl \(Mar 11, 2021 11:40 PST\)](#)

Jill Schreidl, *Board Chair*

**David Blodgett**

[David Blodgett \(Mar 11, 2021 15:57 PST\)](#)

David Blodgett, *Member*

**Dwight Sanders**

[Dwight Sanders \(Mar 11, 2021 16:49 PST\)](#)

Dwight Sanders, *Member*

~~[Leland Brandon \(Mar 10, 2021 08:41 PST\)](#)~~

~~Leland Brandon, *Vice Chair*~~

**Brent Erwin**

[Brent Erwin \(Mar 11, 2021 12:58 PST\)](#)

Brent Erwin, *Treasurer*

*Lauren Torre*

[Lauren Torre \(Mar 11, 2021 16:51 PST\)](#)

Lauren Torre, *Secretary*

**Maliq Kendricks**

[Maliq Kendricks \(Mar 11, 2021 16:43 PST\)](#)

Maliq Kendricks, *Member*

**Kathleen Simon**

[Kathleen Simon \(Mar 11, 2021 16:33 PST\)](#)

Kathleen Simon, *Member*

Las Vegas Collegiate Charter School

[www.lasvegascollegiate.org](http://www.lasvegascollegiate.org)

702.762.2254 [LVCBoard@lvccs.org](mailto:LVCBoard@lvccs.org)



## **Las Vegas Collegiate**

Budget Narrative, prepared by EdTec

Fiscal Years 2022-2024

The attached budget and cash flow projections are based on conservative estimates of actual costs to implement Las Vegas Collegiate's program. Assumptions used to create the analysis are based on the school's projected enrollment, program plan, and historical financial data from similar charter schools. The narrative outlines all major revenue and expense assumptions in the development of the three-year operating budget. The projections demonstrate a healthy and fiscally sound plan.

## **REVENUES**

### ***Enrollment Assumptions***

Las Vegas Collegiate's projected enrollment in its first three years of operation are 162, 243, and 324 students, respectively. The grade levels span K-5 starting with Kinder and 1st grades in Year 1.

### ***Demographics***

Demographic information for Las Vegas Collegiate is estimated based on student population characteristics of schools in the surrounding neighborhood:

- Free and Reduced Lunch: 95%
- Special Education: 10%
- English Language Learner: 20%

### ***Local Revenue***

Local revenue included in this conservative budget contains \$1,000 in fundraising revenue, based on current year amounts received this year. Actual fundraising is likely to be higher in all years.

### ***State Funding***

The school's largest source of funding is the state's Distributive School Account (DSA). The funding rate of \$7,135 (\$6135 Basic + \$1180 Outside) per student was calculated using actual rates being funded for FY20-21 for similar schools in this county. The formula factors in average student enrollment and location of school. Years 2 & 3 assume a small COLA increase (2%).

For special education, the budget assumes \$3,225 per prior year special education student. With a population of 10%, this totals \$51,600 beginning in Year 2.

### ***Federal Funding***

Las Vegas Collegiate is a recipient of the Charter School Program grant, and this budget includes CSP funds and expenditures currently budgeted, with grant period ending September 2021. Under this grant, the school needs to pay for expenses in advance of claiming reimbursement of funds.

Having 95% of its students eligible for free and reduced lunch, the school will also apply for Title funding. The budget assumes \$300 per eligible student for Title I, \$45 per eligible student Title II and \$10 per student in Title III funds. In addition, the school expects to receive Title IV funding

estimated at \$25/student. The rates remain flat in future years with uncertainty around guidelines for Every Student Succeeds Act and potential changes to the funding formula.

The school also expects to receive Federal Special Education IDEA funding estimated at \$140/ADE.

The school will participate in the National School Lunch Program, as well as breakfast and snack programs. The reimbursement rates for each meal are estimated based on 2019-20 USDA rates for contiguous states including Nevada and schools with FRL greater than 60%, with overall rates averaging \$3/eligible meal per day. Additionally, the budget assumes that only 90% of FRL students will participate to account for any unclaimed meals.

## **EXPENSES**

Expenses have been estimated by school leadership based on their research, program needs, and the comparable quotes for similar charter schools. The majority of expenses assume a 2.0% increase per year for inflation unless otherwise noted. Below is a summary of the expense categories and the underlying assumptions.

### ***Staffing and Benefits***

Given the enrollment assumptions, the school plans to hire 7 teachers in Year 1, another 3 teachers in Year 2, and another 3 teachers in Year 3. For Special Education, the school will start with 1 teacher then add another teacher in Year 3. Las Vegas Collegiate will also have Teaching Fellows with 1 in Year 1 and will add one in each subsequent year. Support staff includes science teachers (1 in Year 1 and 2 and 2 in Year 3) and bus drivers (1 in Year 1 and 2 in Year 2 and 3). The school will open with 2 administrators, adding a Dean of Culture in Year 3.

<b>Position</b>	<b>FTE</b>		
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Administrators</b>	2	2	3
<b>Licensed Teachers</b>	6	9	12
<b>SPED Teachers</b>	1	1	2
<b>Teaching Aides</b>	1	2	2
<b>Support Staff</b>	2	3	5
<b>Total</b>	12	17	24

The average classroom and SPED teacher base salary in 2021-22 is \$48,000 with 2.5% COLA increases each year. Support staff, administrators and instructional aide pay increases at 2.5% per year.

Las Vegas Collegiate will participate in PERS for all eligible staff. The PERS employer contribution rate is set at 29.25% (Employer only) or 15.25% (Employee/Employer shared plan). Las Vegas Collegiate will also offer health benefits to full-time employees. The estimated cost in 2021-22 is about \$5,300 per participating employee, growing at 5% each year.

### ***Professional and Technical Services (300)***

For professional educational services, Las Vegas Collegiate has budgeted \$39,852, or \$246 per ADE for contracted special education services in Year 1 in addition to the SPED teacher on staff. Contracted SPED services increases to \$59,778 in Year 2 and \$79,704 in year 3.

Professional development across the three years is budgeted at \$7,290, \$9,720, and \$13,365, largely funded by Title II.

In 2021-22, the anticipated cost for other professional services includes fees for audit (\$14,000), legal (\$5,000) and back-office business services (\$55,000).

Marketing for student recruiting and community outreach is included at \$8,730 in Year 1, \$6,350 in Year 2 and \$7,680 in Year 3.

Technology support services are estimated to be approx. \$35 per ADE, or approx. \$500/mo in Year 1.

Payroll processing fees, bank charges, background checks, SIS services (\$30/student) and other subscription services (Adobe, Google G-Suite, donation support, etc) are also budgeted in this category.

### ***Property Services (400)***

Facility related expenses include utilities at \$2,500 per month and janitorial services at \$1,200 per month. Rent is estimated at \$14,000 per month based on recent facility searches.

### ***Other Services (500)***

Other services include general liability insurance at \$15,000 in 2021-22, telephone communications services (\$415/mo.), internet services (\$1,000/mo.), and food service management at \$25/ADE.

The school has budgeted for postage each year and an initial investment in setting up the communications infrastructure. Advertising for staff recruiting and community open houses are included. Printing is budgeted as well.

The school has included charter sponsor fees calculated at 1.25% of DSA revenue.

### ***Supplies (600)***

Food cost is assumed to be 4% above the reimbursements, calculated at \$89,100 in Year 1.

In supplies, the charter expects to spend \$25 per student on general supplies, \$15/student on office supplies, \$150 per new student on furniture, \$250/FTE on faculty furniture, \$200/FTE on classroom supplies, \$15/new student on library books after Year 1, \$20/student on uniforms, and \$70/student on other including health supplies and athletic supplies.

Books and Periodicals and Textbooks are estimated at \$150 per new student.

IT Software is included at \$20/student.

Technology includes projectors, doc cameras, white boards, and staff computers budgeted at \$19,060 in Year 1, with student related purchases funded by CSP in Year 0.

Web-based programs will include IReady (\$30/new student), NWEA (\$15/student) and STEP Literacy (\$20/student) or similar programs

### ***Depreciation (700)***

The budget includes estimated depreciation on buses to be purchased beginning in Year 1.

### ***Other (800)***

Dues and fees are included at \$250 for business filing fees. Also included is an estimated \$20k in Year 1 for costs of debt service if any cash flow borrowing is necessary to manage timing of revenues under reimbursable programs. Also included here is the estimated cost of loan interest on the revolving loan, assuming the loan is received and interest begins accruing July 2021.

### **CASH FLOW**

Included in the budget workbook is a three-year cash flow projection (as well as 1-year budget and cash flow in NDE template format for cross-referencing), which demonstrates healthy cash balances for sustained operations with the aid of the Revolving Loan in Year 1. In Year 2, the school begins monthly repayment of the loan at a 4.50% interest rate over two years. The interest expense is recorded under debt-related expenses in the budget. Each year, the school will manage accounts payables as necessary in order to maintain a positive cash balance, which is reflected in the cash flow. In Years 2 and 3, due to the DSA payment schedule, the school's enrollment growth, and unknown timing of revenues under reimbursable programs, the charter may need to seek working capital. It is unlikely that the school will secure a lower interest line of credit by that time and has included \$20,000 in estimated finance charges for higher cost short-term borrowing. This would likely occur by working with one of a number of factoring companies that work with charter schools, including Charter Asset Management.

### **CONTINGENCIES AND RESERVES**

Las Vegas Collegiate's budget reflects positive net operating income in all three years. In all future years, the school will operate at a surplus and continue to contribute to its reserves in the event of fluctuating funding levels or other unforeseen risks.

**Jill Schreidl**  
*Board Chair*



**Biante' Gainous**  
*Executive Director*

## Las Vegas Collegiate Charter School

**Physical:**

Address for physical location will be made available when State directives, in response to COVID-19, permit.

**Virtual:**

Zoom:

<https://us02web.zoom.us/j/5999302140>

Meeting ID: 599-930-2140

**Contact Info:**

[LVCBoard@lvccs.org](mailto:LVCBoard@lvccs.org)

(702) 762 - 2254

### NOTICE OF PUBLIC MEETING

The Las Vegas Collegiate Charter School Board will conduct a public meeting on February 16, 2021 from 6:30pm – 8:30pm.

This public meeting will be conducted in accordance with Nevada's Open Meeting Law, NRS 241.020, and pursuant to Governor Sisolak's Emergency Directives related to COVID-19. As such the Las Vegas Collegiate Charter School Board meeting will be held virtually, and as a result there will be no physical location.

Members of the public may view the meeting online via the link above.

Public Comment: Time for public comment will be provided at the end of the meeting post all agenda items on which action may be taken are heard by the public body and again before the adjournment of the meeting. *See* NRS 241.020(2)(d)(3)(I). A time limit of three (3) minutes, subject to the discretion of the Board Chair, will be imposed on public comments in order to afford all members of the public who wish to comment an opportunity to do so within the timeframe available to the Board. Public comment cannot be restricted based on viewpoint.

The Las Vegas Collegiate Charter School Board reserves the right to take agenda items out of order, items may be removed or delayed from the agenda at any time, and two or more items may be combined for consideration.

The Las Vegas Collegiate Charter School Board is pleased to make reasonable accommodations for any member of the public who has a disability and wishes to attend the meeting. If special arrangements for the meeting are necessary, please notify the Board, in writing, via email at [lvcbboard@lvccs.org](mailto:lvcbboard@lvccs.org)

## AGENDA

1) Call to Order and Roll Call.

2) Public Comment #1.

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

3) Approval of Minutes.

- a. Approval of December 15, 2021 Board Meeting Action Minutes. The Board will review and possibly approve the board meeting action minutes from the December 15, 2021 School Board meeting.

Jill Schreidl, *Chair. For Possible Action.*

4) Executive Director Update. Executive Director Gainous will provide the Board with information and updates regarding the following:

- a. The number of Board members still needing to give to have a 100% giving Board.
- b. Update on facility procurement for year one operations.

Biante Gainous, *Executive Director. Information/Discussion.*

5) Budget Process

- a. Kristin Dietz will present to the board what to expect over the next few months in the process of reviewing, revising, and approving the annual budget.

Jill Schreidl, *Chair. Information/Discussion.*

5) SPCSA Revolving Loan Application

- a. Executive Director Gainous will present this funding opportunity to the board for consideration. The board will vote and possibly approve the writing and submission of the application.

Jill Schreidl, *Chair. For Possible Action.*

6) Committee Updates

- a. Each committee will report the work they have completed since the last meeting and their priorities for the next month.

Jill Schreidl, *Chair. Information/Discussion.*

7) Public Comment #2.

*Public comment will be taken during this agenda item on any matter not on the agenda. See NRS 241.020(d)(3). No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. A time limit of three (3) minutes, subject to the discretion of the Chair, will be imposed on public comments. The Authority Chair may allow additional public comment at her discretion.*

8) Adjournment.



In accordance with Governor Sisolak's Emergency Directives regarding COVID-19 and Nevada's Open Meeting Law, this public notice and agenda has been posted on or before December 9, 2020 as follows:

On the Las Vegas Collegiate Charter School website, <https://www.lasvegascollegiate.org>, and

On the State of Nevada's official website, <https://notice.nv.gov/>.

**Jill Schreidl**  
*Board Chair*



**Biante' Gainous**  
*Executive Director*

**Las Vegas Collegiate**

**Charter School**

**MINUTES OF MEETING**  
**FEBRUARY 16, 2021**

In compliance with the Governor's Emergency Directives related to COVID-19, the February 16, 2021 Las Vegas Collegiate Charter School Board meeting conducted virtually.

<b>Board Members Present:</b>	<b>School Staff Present:</b>	<b>Audience in Attendance:</b>
Dwight Sanders Leland Brandon	Biante' Gainous, <i>Executive Director</i> ("ED")	Kristin Dietz from EdTec
<h1>DRAFT</h1>		
Jill Schreidl David Blodgett Kathleen Simon Lauren Torre Maliq Kendricks		

**Agenda Item 1: Calling Meeting to Order**

Chair Schreidl – called meeting to order at 6:35 pm, with attendance reflected above.  
Quorum present

**Agenda Item 2: Public Comment**

Comment period opened at 6:35 pm – no comments made

**Agenda Item 3: Approval of Minutes**

**MOTION:**

Member Brandon moved to approve the January 19, 2021 Board meeting minutes.  
Member Sanders – seconded the motion to approve the January 19, 2021 Board meeting minutes.  
Discussion – none needed

Motion carried unanimously at 6:37 pm

**Agenda Item 4a: Executive Director Update**

ED explained that we are still waiting on one final contribution.  
*No action taken on this agenda item.*

**Agenda Item 4b: Facility Update**

ED provided update that we are waiting on one more board member contribution.  
We are also actively working on finding a facility and looking into portables for a specific location  
*No action taken on this agenda item.*

**Agenda Item 5: Budget Process**

Kristen Dietz presents to board on what to expect over the next few months for the annual budget. We are currently in pre-launch. For the current year we are on track based on the forecast.  
*No action taken on this agenda item.*

**Agenda Item 6: SPCSA Revolving Loan Application**

ED presents this funding opportunity to the board for consideration. We are going to apply for this to help our bottom line. The loan would be for \$80, 0000 with a 3-year payback.  
Member Brandon asks what the interest rate is.

DRAFT

**MOTION:**

Member Sanders moved to give ED ability to write and submit an application for the SPCSA Revolving Loan.  
Member Blodgett – seconded the motion to allow submission of the application.  
Discussion – none needed  
Motion carried unanimously at 7:09 pm

**Agenda Item 7: Committees Updates**

Academic Committee – Member Sanders their focus is student recruitment and reaching out to daycare centers. They are also working on some numbers to predict enrollment interest.

Development Committee – Member Brandon shared how they are connecting with local influencers and how they are working on a social media revenue stream plan. Once our social media platform gets set up, they are planning a media giving campaign. Member Kat also shared that she is reaching out to others as well for marketing assistance.

Governance Committee – Chair Schreidl shared that the committee has shifted its focus to state compliance and things BES has recommended. The committee is currently reviewing the bylaws to make sure everything is up to date and the committee is preparing to present them at the next Board meeting.

Finance Committee – Member Simon shared the committee decided not to budget for legal counsel retainer, but otherwise there hasn't been any changes.

*No action taken on this agenda item.*

**Agenda Item 8: Public Comment #2**

Comment period opened at 7:20 pm

Member Blodgett requests that the link to the material folder be included in the calendar invite.

**Agenda Item 9: Adjournment**

Chair Schreidl adjourns the meeting at 7:21 pm

DRAFT

# LAS VEGAS COLLEGIATE CHARTER SCHOOL



## Financial Policies and Procedures

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It is the intent of these Financial Policies and Procedures to implement both the letter and spirit of all applicable State and Federal regulations regarding the expenditure of and accounting for public funds. These Policies and Procedures may need to be modified as the School develops, and regulations change. The Board of Directors (“Board”) should approve these financial policies and revisit them periodically.

### I. PURCHASES

1. Authorization of Expenditures: All purchases of goods and services shall be consistent with the Board-approved budget and not contain any unnecessary or duplicative procurement. These purchases shall not require Board-approved/executed contracts, with the exception of expenditures in total annual amounts greater than \$10,000. All other proposed expenditures must be approved by the Executive Director who will review the proposed expenditure to determine whether it is consistent with the Board adopted budget and sign the check request and purchase order forms (if applicable). In the event of an emergency or impending deadline, the Executive Director may authorize a contract with subsequent ratification by the board.
  
2. General Purchasing, Procurement, and Contracting Procedures All purchasing, procurement and contracting for Las Vegas Collegiate must:
  - a) Conform to the Code of Ethics and Conflict of Interest policies of Las Vegas Collegiate
  - b) Use proper and objective methods in awarding, procuring, evaluating, and extending all offers to purchase or contract.
  - c) Take affirmative action to promote the use of small, women, minority or labor surplus enterprises when possible.
  - d) Request and when practical require contract terms with minimal annual evaluation and extension terms, but no longer than 3-year overall terms.
  - e) Request and when practical require that all litigation and mediation clauses in contracts be governed by laws of the state of Nevada.
  - f) Follow all program and revenue source specific regulations as applicable for specific procurement or contracting (i.e. Food Service, Title I, etc.)

### 3. Procurement of Goods - Thresholds

- a) Micro Purchasing (\$0-\$9,999.99 annual, \$0-3,499.99 in Food Service Acct.) – All expenditures will follow transparent research (3-bid) and documentation guidelines, including due diligence (i.e. 1099 documentation) and back-up (receipt, statement of work) and authorization processes.
- b) Small Purchase Threshold (\$10,000.01-\$24,999.99 annual, \$3,500-\$24,999.99 Food Service Acct.) – All expenditures will follow transparent research (3-bid) and documentation guidelines, including due diligence (i.e. 1099 documentation) and back-up (receipt, statement of work) and authorization processes, and be presented to the board for ratification.
- c) Competitive Bids – (\$50,000 and greater annual) – In general, contracts exceeding \$50,000 annually shall be let after a bidding process of sufficient duration to ensure competition and abide by all local, state and federal regulations per category and revenue source (i.e. Food Service, Title I, etc.) and generate a minimum of 3 bids to be objectively tabulated and presented for the board for ratification. All solicitations must follow a Request for Proposal process that clearly outlines the goods and/or services required yet not be unnecessarily restrictive as to limit competition.

### 4. Contracts

- a) All professional consulting services shall be provided for under a contract.
- b) Contracts for other goods and services exceeding \$10,000 on an annual basis shall be presented to the Board for approval prior to signing. Length of contracts shall be at the discretion of the Board. In general, contracts exceeding \$50,000 annually shall be let after a bidding process of sufficient duration to ensure competition per all local, state and federal regulations. However, the Executive Director may make a finding to the Board for sole sourcing a contract exceeding \$50,000 annually; in this case, the Board may approve the contract in arrears at the time of contract execution. (The basis for such a finding may include time/urgency issues; the absence of competitors; high service/quality from a particular contractor).

c) Bid tabulations shall be presented to the Board along with a recommendation for action. The Board reserves the right to select whichever vendor it deems most prepared to provide the required goods/ services without regard to the low bidder being the automatic selection.

5. Commitments and Purchase Orders

a) Purchase orders under \$10,000 must be approved by one of the following authorized positions: Executive Director, Chair, or Treasurer.

b) Purchase orders of \$10,000 or more must be approved by the Executive Director and one of the following authorized positions: Chair or Treasurer.

6. Invoices

a) Invoices under \$10,000 must be approved by one of the following authorized positions: Executive Director, Chair, or Treasurer.

b) Invoices for \$10,000 or more must be approved by the Executive Director and one of the following authorized positions: Chair or Treasurer.

7. Accounts Payable: The school shall abide by EdTec AP Banking Approval Guidelines set forth separately.

8. Credit Card Usage: Unless otherwise specified by the Board of Directors and/or school management, the use of School credit card shall not be allowed for any School purchase.

9. Other Electronic Payments: Other electronic methods (wire, ACH, transfer between bank accounts, etc.) shall not be permitted for payment of any expenses or reimbursements without the express written consent of the Executive Director and one of the following authorized positions: Treasurer, or Chair.

10. Petty Cash – Purpose and Usage

a) Petty Cash: The purpose of the Petty Cash Checking Account is for payment of incidental expenses when there is insufficient time for processing through the General

Checking Account. Examples of proper expenses include, but are not limited to, food/meals for teachers doing curriculum work and change for purchases of lunch or uniforms. Petty cash shall not be used for teacher reimbursements, employee expense reimbursements or independent contractor payments.

b) The Executive Director or Associate Executive Director and Office Manager shall have access to petty cash not to exceed \$300. Such funds shall be used at the discretion of the Executive Director or Chair subject to Board oversight and consistent with the approved budget and School rules and regulations. The Executive Director or Chair must obtain each other's authorization on petty cash checks made payable to their names. Use of petty cash shall require original receipts for all purchases.

11. Personal Use of School Funds: Use of School funds for personal use is prohibited. Violation of this policy shall result in discipline up to and including dismissal or removal, including from the Board.

## II. BANKING

1. General Checking Account

2. The Board shall authorize the establishment of commercial bank accounts for the purposes of School operations. Funds will be deposited in non-speculative accounts including federally-insured savings and/or checking accounts and/or invested in non-speculative federally-backed instruments and/or standard money market accounts.

3. The General Checking Account shall be the primary account for School needs. Authorized signatories to this account shall be the Executive Director, Chair and Treasurer. Checks above \$10,000, require the approval of the Executive Director and either the Chair or Treasurer. Checks payable to an authorized signer, may not be signed by the payee. Authorized signers for checks above \$10,000, from this account shall be the Executive Director and Chair or Treasurer.

4. The General Checking Account shall be reconciled monthly by a school staff member or outsourced accountant that does not have the ability to approve expenses or disperse funds from the



account. The monthly Bank Reconciliations shall be reviewed and approved by the Board or a representative of the Board that does not have access to the account.

5. Petty Cash Checking Account – Account Setup and Maintenance

a) The Petty Cash Checking Account shall have a maximum balance of \$300. The Account shall be funded from the School's business General Checking Account as necessary. A simple ledger shall be maintained by the Associate Executive Director and reconciled monthly by a staff member or accountant that does not have transactional access to the account. Replenishment of the Petty Cash Checking Account shall occur through the normal accounts payable process (see EdTec AP Banking Approval Guidelines).

b) No deposits other than replenishments as stated above shall be made into the Petty Cash Checking Account. All cash and checks shall be deposited into the General Checking Account.

6. Check writing requires signatures from one of the following people: Treasurer, Vice-Chair, Chair, or Executive Director.

7. Deposits of Receipts – The School will deposit all funds received as soon as practical upon receipt. The Office Administrator or Dean of Operations will open all mail on a daily basis, immediately sort all checks and forward them to the Dean of Operations (if opened by the Office Administrator). The Dean of Operations will immediately endorse the checks to the appropriate school account and prepare appropriate deposits as soon as practical, ideally the same day and in no case later than three working days.

### III. OTHER PRACTICES

1. Budget Adoption: A draft budget must be produced annually, to be forwarded to the Authorizer in compliance with their annual deadline. A budget shall be adopted by the Board

prior to the start of each new fiscal year and forwarded to the Authorizer by their expected deadline. During the course of the year, the Board may adopt an amended budget as expenses and revenue projections change. All proposed and ratified budgets shall include a 3% minimum annual transfer to reserves as a contingency measure.

## 2. Audit

a) An annual audit by an outside firm shall be performed each year on the close of the prior year's books. The audit shall be performed in advance of the statutory audit deadline. The audit shall include, but not be limited to,

(1) an audit of the accuracy of the School's financial statements, (2) an audit of the School's attendance accounting and revenue claims practices, and (3) an audit of the School's internal controls practices.

b) If the School receives over \$500,000 from federal sources, the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars.

c) At the conclusion of the audit, EdTec will review the audit with the Board and propose any changes necessary in operating procedures to comply with audit findings.

3. Form 990 Federal Tax Return: The selected audit firm will prepare the Form 990 tax return and send a copy to the school staff responsible for the audit. The school staff will review and send a copy to the Board of Directors for its review and approval before filing. Once approved by the Board, the school will notify the audit firm who will then prepare the final return for filing.

4. Board Meetings: The Board shall review financial statements at periodic Board meetings. The Board shall also review and approve the monthly check registers and bank reconciliations from the General Checking Account and the Petty Cash Account.

5. Conflict of Interest: Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall recuse themselves from the discussion and voting on the matter. The Board shall develop a separate more comprehensive policy on conflict of interest, hiring of relatives, and compliance with Government Code 1090 and the Fair Political Practices Act.

6. Payroll

- a. New Employees: Requests for new employees shall be initiated by the Executive Director and be consistent with the approved annual personnel budget. New employees shall complete an Application for Employment and all necessary paperwork for payroll. Legally required background checks, fingerprint clearance, and licensure information when applicable must be received by the School before any employee may start work.
- b. Employees shall accrue vacation and sick leave time based on the personnel policy of the School.

7. Timekeeping (for hourly staff)

- a. The Associate Executive Director shall develop procedures to ensure accurate and timely preparation of timesheets for hourly employees.
- b. Authorized timesheets shall be forwarded to EdTec according to EdTec AP Banking Approval Guidelines. Payroll processing and payment shall take place according to EdTec policies and procedures set forth separately.
  - i. Independent Contractors: The School shall only engage independent contractors if all of the following practices are followed
    - 1. The expense is within the approved budget or separately approved by the Board;
    - 2. IRS rules are followed regarding classification of staff as contractors versus employees; and
    - 3. The work is done under contract.

8. Capitalization and Depreciation:

- a) The School will capitalize and depreciate all individual assets costing \$5,000 or more and who have a long, useful life. All other assets are charged to expense in the year incurred. All capitalized assets will follow local, state and federal regulations in procurement including bidding thresholds on a per item value basis.
- b) For all capitalized assets, the school will maintain appropriate records of equipment and, and when appropriate

inventory. These records shall clearly indicate the source of funds used and the specific ownership of the asset. In the event of a donated asset, the record shall indicate the name of the person who donated the asset. The equipment and inventory record shall be maintained by the Executive Director or his designee.

c) Repair and maintenance costs, which do not extend the useful lives of the assets, are charged to expense. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the asset accounts, and any resulting gain or loss is included in the earnings in the year.

#### 9. Disposal of Surplus Property and Donations:

Surplus property shall mean property that is no longer in use, is damaged beyond repair, or that the School feels will have no future value to the School's program, and that is declared to be surplus property by the Board. If the School wishes to dispose of equipment or other surplus property, the Board shall declare the property surplus and shall direct the staff on the actual means of disposal of the property, such as sale, donation, or destruction and disposal.

If the School wishes to sell equipment or other surplus property, the Board shall direct the staff by giving specific guidance regarding the manner in which such property is to be sold.

If the School wishes to donate equipment or other surplus property, the Board shall declare the property surplus and authorize the donation. Requirements for potential recipient organizations shall include: (1) the recipient organization is fully independent of the School, with none of the School's Board members or key personnel involved in the recipient organization; and (2) the recipient organization shall be a non-profit or governmental entity related to education. In addition, the School shall secure a receipt from the recipient organization for the donated property and shall remove the asset from the School's books and record the donation as required by state and federal audit guidelines.

If the property in question cost \$5,000 or more at the time of acquisition and was acquired with federal grant funds, the School shall notify the federal contract administrator prior to donating or disposing of such property as provided above.

#### IV. Expenditures for School Meals, Refreshments and Gifts

1. The charter school recognizes there may be occasions when it is appropriate for governing body members, administrators and others to expend charter school funds in the course of conducting charter school business to provide meals or refreshments (bakery goods, snacks, fruit, punch, coffee, tea, soft drinks, etc.). The purchase of gifts may also be approved, in certain situations. Such occasions may include, but are not limited to, various charter school and building level meetings, gatherings to celebrate charter school successes or recognize individual achievements, contributions or outstanding service to the charter school and other charter school and school-sponsored activities. The use of charter school funds, as used in this regulation, means the use of money in any of the general accounts of the charter school. This includes the General Fund and other unrestricted non-program funds, but explicitly excludes the Food Service fund. It also includes money in student body accounts held at each school that are derived from any student activity or from parent organizations. Exceptions are funds collected from staff members or others for the specific purpose of providing gifts or parties. It is also recognized that buildings may have established a “social fund” or “sunshine fund” to which each staff member may voluntarily contribute. Such funds are generally used for birthday recognition, bereavement and illness acknowledgment activities, etc. These funds are also exempt from the following requirements.

2. Meals and Refreshments: Charter school funds may be used to pay for individual or group meals only if official charter school business is being conducted during the time in which the meal is provided and only if the meal provides a particularly practical time or setting for the discussion, consistent with governing body policy and the following:

- a. Meals may be provided by the charter school to recognize the contributions of staff, through retirement dinners or other recognition events;
- b. Meals may be provided by the charter school as a part of governing body or administrative work sessions, at charter school or building-level committee meetings or other charter school approved activities.
- c. Meals not directly business related may be provided to staff or others at the individual’s expense only.
- d. Governing body members, administrators and other charter school administrative staff may use charter school funds to provide refreshments for staff, parents or others at meetings, in-service programs or other similar charter school or school-sponsored activities, not to exceed \$15 per participant. The purchase of alcoholic beverages with charter school funds is strictly prohibited.

3. Employees or board members should not receive gifts from current or potential service or goods providers, to ensure a fair and open competitive bidding processes and minimize preferential treatment even outside of bidding windows. Gifts permitted fall into the “de minimis” category (e.g., coffee and donuts at a meeting, or items not exceeding \$20 per employee-including meals, and not exceeding \$50 per employee per year per source) are acceptable during meetings where business is conducted.

## V. Expense Reimbursement

1. The governing body recognizes that certain expenses are incurred by charter school employees in carrying out authorized duties. The governing body approves the reimbursement of necessary and reasonable expenditures as outlined in the accompanying administrative regulation and consistent with Internal Revenue Service requirements and Nevada Administrative Codes. All approval and reimbursement procedures must be followed prior to reimbursement.

2. Reimbursement for in-state or out-of-state travel by private vehicle will be made on the basis of airfare or mileage rate, whichever is lower. All travel expenses must be consistent with regular duties or consistent with the budget. All reimbursements will be made following General Services Administration guidelines for per diem, meals and incidental expenses, mileage, airfare, and lodging.

3. Personal Travel Combined with Charter School Business Travel: If an individual traveling on approved charter school business engages in both business and personal activities, travel expenses incurred will be reimbursed only for expenses that are ordinary and necessary in the conduct of charter school business. Expenses incurred as a part of personal business are the sole responsibility of the traveler. When personal travel is combined with approved charter school business travel and the individual is traveling by less than the most expeditious and cost-effective manner, any additional costs must be paid by the traveler. Time away from work caused by traveling by less than the most expeditious means available for personal purposes must be charged to vacation or other appropriate leave. Vacation or other personal leave may be taken in conjunction with approved charter school travel subject to the following:

a) Time delays related to approved charter school business are charged as working time even if no work is performed;

- b) If the employee travels by less than the most cost-effective manner, as determined by the charter school, for approved charter school business or for personal travel combined with travel for charter school business purposes, he/she must pay the additional cost (e.g., increased fare, meals, lodging expenses, etc.) incurred as a result of the personal travel;
- c) All subsistence and local transportation (taxi, vehicle fare, etc.) while on vacation status or other appropriate leave must be paid by the employee;
- d) A traveler who decides on his/her own to conduct charter school business without prior approval, while on vacation or other personal leave, cannot then use this as a justification to have the charter school pay his/her basic transportation cost from the charter school to the location visited, or submit a request for other expense reimbursement.

## VI. Expenditures of Restricted Grant Funds

A. All restricted grant funds will be spent in accordance to program or gift parameters and within pre-budgeted categories where applicable.

### B. Grant Funded Personnel:

1. Single Source/Cost Objective: All staff whose salaries are 100% expended from a single source will sign a semi-annual certification attesting to activity being related to the cost objective.
2. Multiple Source or Partial Source/Objective: Staff whose salary or hourly pay is partially paid through grant funding will complete and submit weekly Time and Effort logs for review by their direct supervisor to ensure activity aligned to the source or objective.

**LAS VEGAS PREPARATORY  
(A NEVADA NONPROFIT CORPORATION)**

**OPERATING:**

**NEVADA PREPARATORY CHARTER SCHOOL**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2019**



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AUDIT, TAX, AND  
CONSULTING**



**LAS VEGAS PREPARATORY  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2019**

**FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	15
STATEMENT OF ACTIVITIES	16
BALANCE SHEET – GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	20
NOTES TO BASIC FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF BUDGET TO ACTUAL COMPARISON – GENERAL FUND	35
SCHEDULE OF BUDGET TO ACTUAL COMPARISON – FEDERAL REVENUE FUND	36
SCHEDULE OF BUDGET TO ACTUAL COMPARISON – FOOD SERVICE FUND	37
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	38
SCHEDULE OF THE SCHOOL CONTRIBUTIONS – NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	39
<b>SUPPLEMENTARY INFORMATION</b>	
FINANCIAL FRAMEWORK INFORMATION WORKSHEET	41
<b>OTHER REQUIRED REPORTS</b>	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	43

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Las Vegas Preparatory  
Las Vegas, Nevada

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Las Vegas Preparatory (a Nevada nonprofit corporation operating Nevada Preparatory Charter School), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Las Vegas Preparatory's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Las Vegas Preparatory as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Vegas Preparatory's basic financial statements. The Financial Framework Information Worksheet is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Financial Framework Information Worksheet, with the exception of the Notices and Enrollment sections, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information included in the Notices and Enrollment sections of the Financial Framework Information Worksheet has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Board of Directors  
Las Vegas Preparatory

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2019, on our consideration of Las Vegas Preparatory'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 Las Vegas Preparatory's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Vegas Preparatory's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Las Vegas, Nevada  
November 23, 2019

## **REQUIRED SUPPLEMENTARY INFORMATION**

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

This Las Vegas Preparatory's (School) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the School's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2018-2019 fiscal year include the following:

- The School's net position at June 30, 2019 was a positive position of \$198,064.
- Total General Fund revenues were \$823,713 as compared to \$790,449 of expenditures.
- At June 30, 2019, the School's General Fund reported a positive fund balance of \$147,878.
- Capital assets have been reported at \$42,022 with accumulated depreciation of \$3,302 for a net capital asset value of \$38,720.
- The School borrowed \$70,000 during the year ended June 30, 2019. As of June 30, 2019 the School had \$73,216 in long-term debt outstanding, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**School-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.
- The School may establish other funds to control and manage money for a blended component unit.

The School has one kind of fund:

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



**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

**Net Position**

The School's *combined* net position was a positive position of \$198,064 and \$30,479 on June 30, 2019 and 2018, respectively (see Table A-1).

**Table A-1  
The School's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2019	2018	
Current and Other Assets	\$ 319,438	\$ 43,232	638.89
Capital Assets	38,720	-	N/A
Total Assets	<u>358,158</u>	<u>43,232</u>	728.46
Deferred Outflows of Resources	84,682	-	N/A
Current Liabilities	171,560	12,753	1,245.25
Long-Term Liabilities	73,216	-	N/A
Total Liabilities	<u>244,776</u>	<u>12,753</u>	1,819.36
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	N/A
Net Position:			
Investment in Capital Assets	38,720	-	N/A
Restricted	-	-	N/A
Unrestricted	159,344	30,479	422.80
Total Net Position	<u>\$ 198,064</u>	<u>\$ 30,479</u>	549.84

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Changes in Net Position**

The School's total revenues were \$1,462,863 and \$204,980 for the periods ended June 30, 2019 and 2018, respectively. State formula aid accounted for 56.3% of total revenue for the year (Figure A-2). Another 39.4% came from Federal awards the remaining 4.3% from other program and general revenues.

The total cost of all programs and services was \$1,295,278 and \$174,500 for the years ended June 30, 2019 and 2018, respectively. Total revenues exceeded expenses, increasing net position by \$167,585 and \$30,479 for the years ended June 30, 2019 and 2018, respectively.

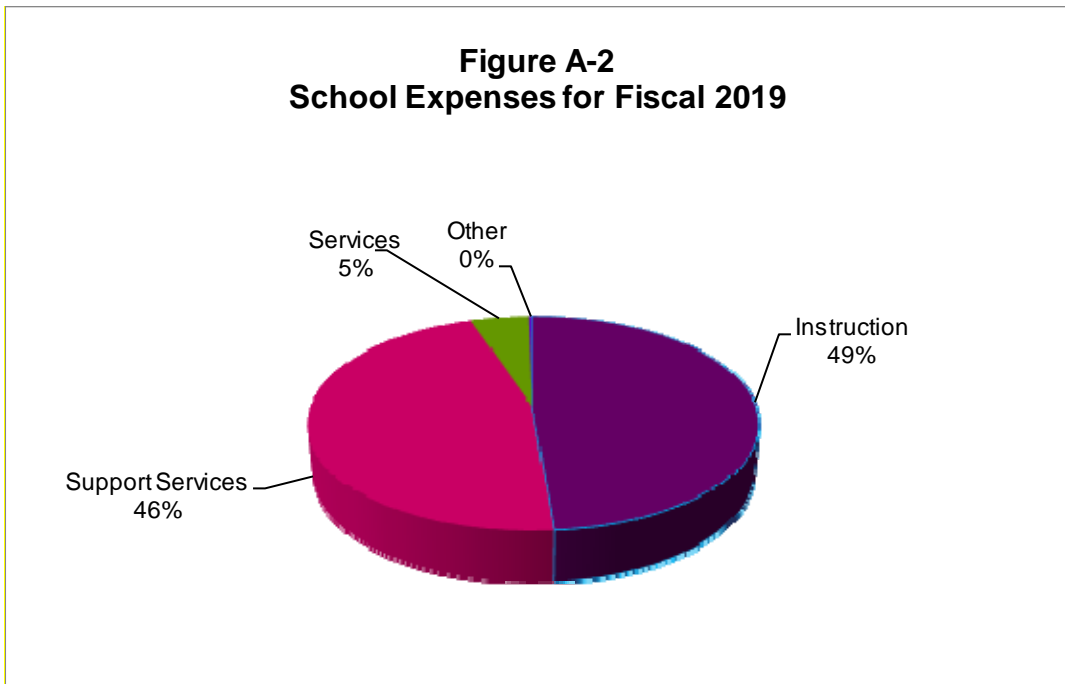
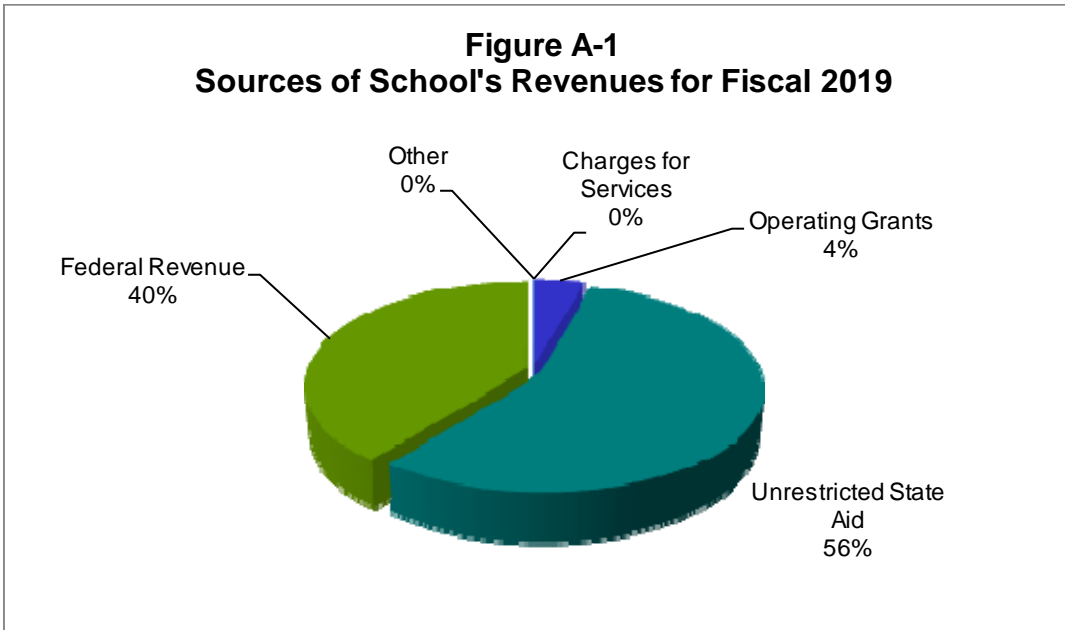
**Table A-2  
Change in Net Position**

	Governmental Activities for the Period Ended June 30,		Percentage Change
	2019	2018	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ -	\$ -	N/A
Operating Grants and Contributions	62,480	128,935	(51.54)
<u>General Revenues</u>			
Unrestricted State Aid	823,112	-	N/A
Federal Revenue	576,670	76,044	658.34
Investment Earnings	56	-	N/A
Other	545	-	N/A
Total Revenues	<u>1,462,863</u>	<u>204,979</u>	
<b>Expenses</b>			
Instruction	631,084	-	N/A
Support Services	597,164	174,500	242.21
Operation of Noninstructional Services	63,329	-	N/A
Miscellaneous	485	-	N/A
Interest and Fiscal Charges on Long-Term Liabilities	3,216	-	N/A
Total Expenses	<u>1,295,278</u>	<u>174,500</u>	642.28
<b>Change in Net Position</b>	167,585	30,479	
Beginning Net Position	<u>30,479</u>	-	
<b>Ending Net Position</b>	<u>\$ 198,064</u>	<u>\$ 30,479</u>	

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The cost of all *governmental* activities this year was \$1,295,278.

- The federal government and private grant funds subsidized certain programs with grants and contributions (\$62,480).
- Most of the School's remaining costs, however, were paid for by unrestricted State aid, Federal revenue and other general revenues.



**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

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

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018		2019	2018	
Instruction	\$ 631,084	\$ -	N/A	\$ 631,084	\$ -	N/A
Support Services	597,164	174,500	242.21	597,164	174,500	242.21
Operation of Noninstructional Services	63,329	-	N/A	849	-	N/A
Miscellaneous	485	-	N/A	485	-	N/A
Interest and Fiscal Charges on Long-Term Liabilities	3,216	-	N/A	3,216	-	N/A
Total	<u>\$ 1,295,278</u>	<u>\$ 174,500</u>	642.28	<u>\$ 1,232,798</u>	<u>\$ 174,500</u>	606.47

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

The financial performance of the School as a whole is reflected in its governmental funds as well. As the School completed the year, its governmental funds reported a *combined* fund balance of \$147,878.

Revenues for the School's governmental funds were \$1,462,863 while total expenditures were \$1,415,464.

**GENERAL FUND**

The General Fund includes the primary operations of the School in providing educational services to students in grades 5 and 6 (for the 2018-2019 school year) including capital outlay projects and facility maintenance and leases.

Approximately 99% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This revenue source includes general education aid, special education aid, federal aid and other state appropriations and grants.

**ENROLLMENT**

Enrollment is a critical factor in determining revenue with approximately 90% of General Fund revenue being determined by enrollment. Enrollment was approximately 113 during the 2018-2019 school year, the School's first year serving students.

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**GENERAL FUND HIGHLIGHTS**

The following schedule presents a summary of General Fund Revenues.

**Table A-4  
General Fund Revenues**

	Period Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
Local Sources:				
Earnings on Investments	\$ 56	\$ -	\$ 56	N/A
Other	545	128,935	(128,390)	(99.58)
State Sources	823,112	-	823,112	N/A
Total General Fund Revenue	<u>\$ 823,713</u>	<u>\$ 128,935</u>	<u>\$ 694,778</u>	538.86

Total General Fund Revenue was \$823,713 for the period. Basic general education revenue is determined by state formulas that are enrollment driven, and consists of a specified minimum amount with variables such as socioeconomic indicators driving additional funding. For Nevada charter schools the majority of all funding is made up of general education aid, special education aid. Other revenue consists of federal and private grant funding that is often expenditure driven.

The following schedule presents a summary of General Fund Expenditures.

**Table A-5  
General Fund Expenditures**

	Period Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
Salaries	\$ 418,937	\$ -	\$ 418,937	N/A
Employee Benefits	150,065	-	150,065	N/A
Professional and Technical Services	13,496	59,107	(45,611)	(77.17)
Property Services	137,236	9,964	127,272	1,277.32
Other Services	22,353	4,644	17,709	381.33
Supplies	46,018	1,326	44,692	3,370.44
Miscellaneous	2,344	701	1,643	234.38
Total General Fund Expenditures	<u>\$ 790,449</u>	<u>\$ 75,742</u>	<u>\$ 714,707</u>	943.61

Total General Fund expenditures were \$790,449 for the period.

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

Actual revenues were \$116,043 (12.3%) less than expected. The actual expenditures were \$132,132 under budget for a 14.3% variance.

**OTHER MAJOR FUNDS**

The Federal Revenue Fund's actual revenues were \$208,883 (56.8%) more than expected. The actual expenditures were \$193,899 over budget for a 52.7% variance. Expenditures exceeded revenues by \$849 in the Food Service Fund.

**CAPITAL ASSETS**

By the end of 2019, the School had invested \$42,022 in capital equipment and leasehold improvements (see Table A-6). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total accumulated depreciation of \$3,302 resulted in a combined net capital asset value of \$38,720.

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

	2019	2018	Percentage Change
Furniture and Equipment	\$ 42,022	\$ -	N/A
Less: Accumulated Depreciation	(3,302)	-	N/A
Total School Capital Assets	\$ 38,720	\$ -	N/A

**LAS VEGAS PREPARATORY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**LONG-TERM LIABILITIES**

The School borrowed \$70,000 during the year ended June 30, 2019. As of June 30, 2019 and 2018 the School had \$73,216 and \$0 in long-term debt outstanding, respectively (See Table A-7). See additional information in Note 6.

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

	2019	2018	Percentage Change
Capital Loans Payable	\$ 73,216	\$ -	N/A
Total Long-Term Liabilities	<u>\$ 73,216</u>	<u>\$ -</u>	N/A
Long-Term Liabilities:			
Due Within One Year	\$ 32,742	\$ -	
Due in More Than One Year	40,474	-	
Total	<u>\$ 73,216</u>	<u>\$ -</u>	

**FACTORS BEARING ON THE SCHOOL'S FUTURE**

The School is dependent on the state of Nevada for its revenue authority. The current year was the School's first year serving students and future results are dependent upon meeting enrollment targets each year.

The School was originally authorized to operate by the Nevada Achievement School District (ASD). The ASD was abolished by the Nevada Legislature in June 2019; however, charter schools previously authorized by the ASD will be authorized under the Nevada State Public Charter School Authority under the original charter contract. Under this new law, the School's original charter contract will become void on July 1, 2020 and it will need to obtain a new contract with the Nevada State Public Charter School Authority prior to that date. The School is currently working on with the State Public Charter School Authority on a new charter contract.

The School will strive to provide academic excellence, high quality instruction, intentional character development and educational opportunity for students. It is anticipated that enrollment will continue to grow as the School adds an additional grade level annually until 2021 when the School will have grades 5-8. While state funding formulas may not be sufficient to meet instructional programming needs, the increase in planned enrollment is expected to provide the resources to balance future budgets and build a sufficient fund balance.

**CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our constituents, state oversight agencies, lenders, customers, legislative leaders, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Blodgett, Founder and Executive Director, Nevada Preparatory Charter School, 2525 Emerson Avenue, Las Vegas, NV 89121.

## **BASIC FINANCIAL STATEMENTS**



**LAS VEGAS PREPARATORY  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 96,570
Cash and Investments Held by Trustee - Restricted	
Receivables:	
Other Governments	201,899
Prepaid Items	20,969
Capital Assets, Net of Depreciation	<u>38,720</u>
Total Assets	<u>358,158</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pensions	<u>84,682</u>
Total Deferred Outflows of Resources	<u>84,682</u>
 <b>LIABILITIES</b>	
Salaries and Benefits Payable	26,292
Accounts and Contracts Payable	70,268
Unearned Revenue	75,000
Long-Term Liabilities:	
Other Long-Term Liabilities Due Within One Year	32,742
Other Long-Term Liabilities Due in More Than One Year	<u>40,474</u>
Total Liabilities	<u>244,776</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Pensions	<u>-</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	38,720
Unrestricted	<u>159,344</u>
Total Net Position	<u><u>\$ 198,064</u></u>

See accompanying Notes to Basic Financial Statements.

**LAS VEGAS PREPARATORY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 631,084	\$ -	\$ -	\$ (631,084)
Support Services	597,164	-	-	(597,164)
Operation of Noninstructional Services	63,329	-	62,480	(849)
Miscellaneous	485	-	-	(485)
Interest and Fiscal Charges on Long-Term Liabilities	3,216	-	-	(3,216)
Total Charter School	<u>\$ 1,295,278</u>	<u>\$ -</u>	<u>\$ 62,480</u>	(1,232,798)
<b>GENERAL REVENUES</b>				
State Aid Not Restricted to Specific Purposes				823,112
Federal Revenue				576,670
Interest				56
Miscellaneous				545
Total General Revenues				<u>1,400,383</u>
<b>CHANGE IN NET POSITION</b>				167,585
Net Position - Beginning				<u>30,479</u>
<b>NET POSITION - ENDING</b>				<u>\$ 198,064</u>

See accompanying Notes to Basic Financial Statements.

**LAS VEGAS PREPARATORY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Major Funds			Total Governmental Funds
	General	Federal Revenue	Food Service	
<b>ASSETS</b>				
Cash and Investments	\$ 96,570	\$ -	\$ -	\$ 96,570
Receivables:				
Due from Nevada Department of Education	16,440	-	-	16,440
Due from Federal through Nevada Department of Education	-	178,824	6,635	185,459
Due from Other Funds	190,291	7,730	849	198,870
Prepays	18,655	2,314	-	20,969
	<u>18,655</u>	<u>2,314</u>	<u>-</u>	<u>20,969</u>
Total Assets	<u>\$ 321,956</u>	<u>\$ 188,868</u>	<u>\$ 7,484</u>	<u>\$ 518,308</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Salaries Payable	\$ 15,373	\$ -	\$ -	\$ 15,373
Payroll Deductions and Employer Contributions Payable	10,919	-	-	10,919
Accounts and Contracts Payable	64,207	6,061	-	70,268
Due to Other Governmental Units	-	-	-	-
Due to Other Funds	8,579	182,807	7,484	198,870
Unearned Revenue	75,000	-	-	75,000
Total Liabilities	<u>174,078</u>	<u>188,868</u>	<u>7,484</u>	<u>370,430</u>
Fund Balance:				
Nonspendable:				
Prepays	18,655	2,314	-	20,969
Restricted for:				
Federal	-	-	-	-
Food Service	-	-	-	-
Unassigned:				
General Fund	129,223	-	-	129,223
Federal	-	(2,314)	-	(2,314)
Total Fund Balance	<u>147,878</u>	<u>-</u>	<u>-</u>	<u>147,878</u>
Total Liabilities and Fund Balance	<u>\$ 321,956</u>	<u>\$ 188,868</u>	<u>\$ 7,484</u>	<u>\$ 518,308</u>

See accompanying Notes to Basic Financial Statements.

**LAS VEGAS PREPARATORY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

**Total Fund Balance for Governmental Funds** \$ 147,878

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Equipment, Net of Accumulated Depreciation 84,720

The School's deferred outflows are recorded only on the statement of net position. Balances at year-end are:

Deferred Outflows of Resources - Pensions 84,682

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Loan Payable (73,216)

**Total Net Position of Governmental Activities** \$ 198,064

**LAS VEGAS PREPARATORY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019**

	Major Funds			Total Governmental Funds
	General	Federal	Food Service	
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 56	\$ -	\$ -	\$ 56
Other	545	-	-	545
State Sources	823,112	-	-	823,112
Federal Sources	-	576,670	62,480	639,150
Total Revenues	<u>823,713</u>	<u>576,670</u>	<u>62,480</u>	<u>1,462,863</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	421,210	271,559	-	692,769
Support Services	368,754	248,105	-	616,859
Operation of Noninstructional Services	-	-	63,329	63,329
Miscellaneous	485	-	-	485
Capital Outlay	-	42,022	-	42,022
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>790,449</u>	<u>561,686</u>	<u>63,329</u>	<u>1,415,464</u>
<b>EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES</b>	33,264	14,984	(849)	47,399
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Other State and Nonstate				
Loans Received	70,000	-	-	70,000
Transfers In	-	7,730	849	8,579
Transfers Out	(8,579)	-	-	(8,579)
Total Other Financing Sources (Uses)	<u>61,421</u>	<u>7,730</u>	<u>849</u>	<u>70,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	94,685	22,714	-	117,399
<b>FUND BALANCE</b>				
Beginning of Year	53,193	(22,714)	-	30,479
End of Year	<u>\$ 147,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,878</u>

See accompanying Notes to Basic Financial Statements.

**LAS VEGAS PREPARATORY  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

**Net Change in Fund Balance - Total Governmental Funds** \$ 117,399

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

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

Capital Outlays	42,022
Depreciation Expense	(3,302)

Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources. 84,682

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

Loan Proceeds	(70,000)
Accrued Interest	(3,216)
	167,585
Total	\$ 167,585

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**LAS VEGAS PREPARATORY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Financial Reporting Entity**

The School is a nonprofit corporation that was formed on September 8, 2016, in accordance with Nevada Statutes. The School engaged in planning and start up activities prior to the current fiscal year and began serving students in August 2018. The School was originally authorized to operate by the Nevada Achievement School District (ASD). The ASD was abolished by the Nevada Legislature in June 2019; however, charter schools previously authorized by the ASD will be authorized under the Nevada State Public Charter School Authority under the original charter contract. Under this new law, the School's original charter contract will become void on July 1, 2020 and it will need to obtain a new contract with the Nevada State Public Charter School Authority prior to that date. The School is currently working on with the State Public Charter School Authority on a new charter contract.

The School is organized to operate as a grades 5-8 charter school that strives to provide academic excellence, high quality instruction, intentional character development and educational opportunity for students. The governing body consists of a board of directors composed of no less than three, and no more than fifteen members to serve one-year terms.

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

Component units are legally separate entities for which the School is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no component units as of June 30, 2019.

Aside from its authorizer role, the Nevada Public Charter Schools Authority has no authority, control, power, or administrative responsibilities over the School. Therefore, the School is not considered a component unit of either the Nevada Public Charter Schools Authority.



**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Basic Financial Statement Presentation

The School-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the School.

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

**LAS VEGAS PREPARATORY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Measurement Focus and Basis of Accounting (Continued)

**1. Revenue Recognition**

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

**2. Recording of Expenditures**

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

Description of Funds

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

*Major Governmental Funds*

General Fund

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

**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Measurement Focus and Basis of Accounting (Continued)

Federal Special Revenue Fund

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

Food Service Special Revenue Fund

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

E. Income Taxes

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

F. Budgeting

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

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

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

**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Cash and Investments

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

H. Accounts Receivable

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

I. Prepaid Items

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

J. Deferred Outflows/Inflows of Resources

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

**LAS VEGAS PREPARATORY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Capital Assets**

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

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

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

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Nevada (NV PERS) and additions to/deductions from NV PERS' fiduciary net position have been determined on the same basis as they are reported by NV PERS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Because the School had not incurred pension contributions on salaries until fiscal 2019, they do not have a pension liability at June 30, 2019 (which is based on a measurement plan dated June 30, 2018) but contributions made in fiscal year 2019 are recorded as deferred outflows.

**M. Fund Balance**

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance related to prepaid expenses, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the School Board. The School Board chose not to pass a resolution authorizing anyone to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts of the General Fund.

**LAS VEGAS PREPARATORY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

N. Risk Management

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

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

O. Net Position

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

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

**Excess of Expenditures Over Budget**

Expenditures exceeded budgeted amounts in the following fund at June 30, 2019.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Federal Revenue Fund	\$ 367,787	\$ 561,686	\$ 193,899

The overage was considered by School management to be the result of necessary expenditures critical to operations and was approved by the Board.

**LAS VEGAS PREPARATORY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 DEPOSITS**

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

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

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

The School's carrying and bank balances of deposits at June 30, 2019 were \$96,570 and \$145,200, respectively. All deposits were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Nevada Statutes.

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Being Depreciated:				
Equipment	\$ -	\$ 42,022	\$ -	\$ 42,022
Accumulated Depreciation for:				
Equipment	-	(3,302)	-	(3,302)
Total Accumulated Depreciation	-	(3,302)	-	(3,302)
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 38,720</u>	<u>\$ -</u>	<u>\$ 38,720</u>

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

<b>Governmental Activities</b>	
Support Services	3,302
Total Depreciation Expense, Governmental Activities	<u>\$ 3,302</u>

**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 DEFINED BENEFIT PENSION PLANS**

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

**A. Plan Description**

The School participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement System of Nevada (NV PERS or the System). NV PERS' defined benefit pension plans are established and administered in accordance with Nevada Statutes. NV PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. Detailed information about each pension plan's fiduciary net position is available in a separately issued PERS financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.nvpers.org](http://www.nvpers.org).

**B. Benefits Provided**

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

**C. Vesting**

1. Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65



**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

C. Vesting (Continued)

with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

2. Police/Fire members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with 5 years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.
3. The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

D. Contributions

1. The School's contributions to NV PERS for the plan's fiscal year ended June 30, 2019 were \$84,682. The School's contributions were equal to the required contributions for each year as set by state statute. A total of \$84,682 is reported as deferred outflows of resources related to pensions resulting from School contributions to NV PERS subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. The net pension liability at June 30, 2019 is based on a measurement date of June 30, 2018.

**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 LONG-TERM DEBT**

In the current fiscal year, the School obtained a loan from the Nevada Public Charter School Authority in the amount of \$70,000 at a 4.5% interest rate with a maturity date of July 1, 2021.

	June 30, 2018	Additions	Retirements	June 30, 2019	Principal Due Within One Year
Loans Payable	\$ -	\$ 73,216	\$ -	\$ 73,216	\$ 32,742

Future payments of long-term debt are as follows:

Year Ending June 30,	Loans Payable	
	Principal	Interest
2020	\$ 32,742	\$ 2,411
2021	37,290	1,058
2022	3,184	12
Total	\$ 73,216	\$ 3,481

**NOTE 7 COMMITMENTS AND CONTINGENCIES**

A. Federal and State Programs

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

B. Lease Commitments and Terms

In March 2018, the School entered into a lease for use of facilities in Las Vegas, Nevada. The term of the original lease was one year commencing on April 1, 2018 and ending June 30, 2019. The lease also provides two options to extend the lease for twelve months each. The School extended the lease an additional year through June 30, 2020. Lease expense for the year ended June 30, 2019 was \$99,135. See the future minimum lease payments below:

Year Ending June 30,	Scheduled Amount
2020	\$ 156,000
Total Minimum Lease Payments	\$ 156,000

**LAS VEGAS PREPARATORY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

B. Lease Commitments and Terms (Continued)

The School's ability to make payments under this Lease agreement is dependent on its revenues which are in turn, largely dependent on sufficient enrollments being served at the School and on sufficient state aids per student being authorized and received from the State of Nevada. The School believes that its enrollment and aid entitlements will be sufficient to meet the lease obligations as they become due.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**LAS VEGAS PREPARATORY  
SCHEDULE OF BUDGET TO ACTUAL COMPARISON –  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ -	\$ -	\$ 56	\$ 56
Other	-	-	545	545
State Sources	939,756	939,756	823,112	(116,644)
Total Revenues	<u>939,756</u>	<u>939,756</u>	<u>823,713</u>	<u>(116,043)</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	443,384	443,384	418,937	(24,447)
Employee Benefits	171,892	171,892	150,065	(21,827)
Professional and Technical Services	19,000	19,000	13,496	(5,504)
Property Services	147,400	147,400	137,236	(10,164)
Other Services	20,000	20,000	22,353	2,353
Supplies	117,416	117,416	46,018	(71,398)
Miscellaneous	-	-	2,344	2,344
Debt Service:				
Interest and Fiscal Charges	3,490	3,490	-	(3,490)
Total Expenditures	<u>922,582</u>	<u>922,582</u>	<u>790,449</u>	<u>(132,133)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES</b>	17,174	17,174	33,264	16,090
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Other State and Nonstate Loans Received	70,000	70,000	70,000	-
Transfers Out	(38,602)	(38,602)	(8,579)	30,023
Total Other Financing Sources (Uses)	<u>31,398</u>	<u>31,398</u>	<u>61,421</u>	<u>30,023</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 48,572</u>	<u>\$ 48,572</u>	94,685	<u>\$ 46,113</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>53,193</u>	
End of Year			<u>\$ 147,878</u>	

**LAS VEGAS PREPARATORY  
SCHEDULE OF BUDGET TO ACTUAL COMPARISON –  
FEDERAL REVENUE FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Sources	\$ 367,787	\$ 367,787	\$ 576,670	\$ 208,883
Total Revenues	<u>367,787</u>	<u>367,787</u>	<u>576,670</u>	<u>208,883</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	131,116	131,116	76,377	(54,739)
Employee Benefits	11,227	11,227	7,279	(3,948)
Professional and Technical Services	132,010	132,010	191,812	59,802
Property Services	-	-	1,331	1,331
Other Services	20,543	20,543	29,328	8,785
Supplies	72,891	72,891	212,400	139,509
Miscellaneous	-	-	1,137	1,137
Capital Outlay	-	-	42,022	42,022
Total Expenditures	<u>367,787</u>	<u>367,787</u>	<u>561,686</u>	<u>193,899</u>
<b>EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>14,984</u>	<u>14,984</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Other State and Nonstate Transfers In	-	-	7,730	7,730
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,730</u>	<u>7,730</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>22,714</u>	<u>\$ 22,714</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>(22,714)</u>	
End of Year			<u>\$ -</u>	

**LAS VEGAS PREPARATORY  
SCHEDULE OF BUDGET TO ACTUAL COMPARISON –  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Federal Sources	\$ 106,020	\$ 106,020	\$ 62,480	\$ (43,540)
Total Revenues	106,020	106,020	62,480	(43,540)
<b>EXPENDITURES</b>				
Current:				
Professional and Technical Services	-	-	2,602	2,602
Supplies	144,622	144,622	60,727	(83,895)
Total Expenditures	144,622	144,622	63,329	(81,293)
<b>EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES</b>	(38,602)	(38,602)	(849)	37,753
<b>OTHER FINANCING SOURCES</b>				
Transfers In	38,602	38,602	849	(37,753)
Total Other Financing Sources	38,602	38,602	849	(37,753)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of Year			-	
End of Year			<u>\$ -</u>	

**LAS VEGAS PREPARATORY  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
 NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 YEAR ENDED JUNE 30, 2019**

	2018
School's Proportion of the Net Pension Liability (Assets)	n/a*
School's Proportionate Share of the Net Pension Liability (Asset)	n/a*
School's Covered Payroll	n/a*
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	n/a*
Plan Fiduciary Net Position as a percentage the Total Pension Liability	78.07%

\* Accounting standards require calculation of the proportionate share of the pension liability based on the plan information for the previous year. Nevada Preparatory Academy was not yet in operation in the previous year and therefore has no calculated proportion share of the net pension liability as of June 30, 2019.

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.



**LAS VEGAS PREPARATORY  
SCHEDULE OF SCHOOL CONTRIBUTIONS –  
NEVADA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM  
YEAR ENDED JUNE 30, 2019**

	2019
Contractually Required Contribution	\$ 84,682
Contributions in Relation to the Contractually Required Contribution	84,682
Contribution Deficiency (Excess)	\$ -
 School's Covered Payroll	\$ 495,000
 Contributions as a Percentage of Covered Payroll	17.11%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

## **SUPPLEMENTARY INFORMATION**

**LAS VEGAS PREPARATORY  
FINANCIAL FRAMEWORK INFORMATION WORKSHEET  
YEAR ENDED JUNE 30, 2019**

Financial Framework Information Worksheet		
Enter the required data into the highlighted cells for items 1 thru 26.		
1. School Name	<input style="width: 95%;" type="text" value="Las Vegas Preparatory"/>	
2. School Year	<input style="width: 15%;" type="text" value="2018"/> to <input style="width: 15%;" type="text" value="2019"/> YYYY to YYYY	
3. Year of Operation	<input style="width: 15%;" type="text" value="2019"/>	Year of contracted operation with the current charter school authorizer
4. Independent Auditor	<input style="width: 95%;" type="text" value="CliftonLarsonAllen LLP"/>	
<b>SELECT ASSETS</b>		
5. Cash	<input style="width: 15%;" type="text" value="\$96,570"/>	Source: Statement of Net Position
6. Proceeds from Bonds	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
7. Current Assets	<input style="width: 15%;" type="text" value="319,438"/>	Source: Statement of Net Position
8. NonCurrent Assets	<input style="width: 15%;" type="text" value="38,720"/>	Source: Statement of Net Position
9. Deferred Inflows	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Net Position
10. Ending Fund Balance	<input style="width: 15%;" type="text" value="147,878"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
<b>SELECT LIABILITIES</b>		
11. Deferred Outflows	<input style="width: 15%;" type="text" value="\$84,682"/>	Source: Statement of Net Position
12. Current Liabilities	<input style="width: 15%;" type="text" value="171,560"/>	Source: Statement of Net Position
13. Annual Principal	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
14. NonCurrent Liabilities (Net of PERS pension liability)	<input style="width: 15%;" type="text" value="73,216"/>	Source: Statement of Net Position
15. Outstanding Loan	<input style="width: 15%;" type="text" value="Yes"/> (Yes or No)	Source: Statement of Net Position/Notes to the audited financial statements
16. PERS Pension Liability	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Net Position
<b>SELECT REVENUES</b>		
17. Revenues - Operating	<input style="width: 15%;" type="text" value="\$1,462,863"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
18. Revenues - Non Operating	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
<b>SELECT EXPENDITURES</b>		
19. Expenditures	<input style="width: 15%;" type="text" value="\$1,415,464"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
20. Interest Expense	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
21. Depreciation Expense	<input style="width: 15%;" type="text" value="3,302"/>	Source: Notes to the audited financial statements
22. Capital Expenses Paid with Bond Proceeds	<input style="width: 15%;" type="text" value="-"/>	Source: Statement of Revenues, Expenditures and Changes in Fund Balance
<b>NOTICES</b>		
23. Debt Default	<input style="width: 15%;" type="text" value="No"/> (Yes or No)	Source: Notes to the audited financial statements
24. Other Legal/Financial Notices	<input style="width: 95%;" type="text" value="None"/>	
<b>ENROLLMENT</b>		
25. Actual Enrollment	<input style="width: 15%;" type="text" value="119"/>	Source: Actual enrollment from DSA spreadsheet
26. Projected Enrollment	<input style="width: 15%;" type="text" value="140"/>	Source: Most Recent Approved Budget for applicable fiscal year

See the auditor's report.

## **OTHER REQUIRED REPORTS**



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

Board of Directors  
Las Vegas Preparatory  
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Las Vegas Preparatory (a Nevada nonprofit corporation operating Nevada Preparatory Charter School), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Las Vegas Preparatory's basic financial statements, and have issued our report thereon dated November 23, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Las Vegas Preparatory's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Las Vegas Preparatory's internal control. Accordingly, we do not express an opinion on the effectiveness of Las Vegas Preparatory's internal control.

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

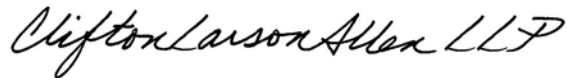
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Las Vegas Preparatory's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of Las Vegas Preparatory's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Vegas Preparatory's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Las Vegas, Nevada  
November 23, 2019



**From:** [Adam Musch](#)  
**To:** [Danny Peltier](#)  
**Cc:** [bgainous@lvccs.org](mailto:bgainous@lvccs.org); [Kristin Dietz](#); [Michael Dang](#); [Michael Hutchins](#)  
**Subject:** RE: Las Vegas Collegiate Revolving Loan Application - Additional Information Request  
**Date:** Thursday, April 8, 2021 2:46:56 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)

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Dear Mr. Peltier,

This email is in response to your request regarding Las Vegas Collegiate's Revolving Loan Application. EdTec Inc. is not an independent public accounting firm and therefore cannot make CPA attestations regarding the soundness of internal controls as itemized in the instructions to the loan application. However, in our capacity as a business services provider to numerous public charter schools, this email confirms that in EdTec's experience the internal financial controls and procedure controls in Las Vegas Collegiate's fiscal policies are in form and substance similar to others adopted by the school boards of other charter school clients of ours and, in that respect, are not unreasonable. Please let me know if you need additional information.

Sincerely,  
Adam



**Adam Musch**  
CFO  
P: 510-663-3500 x352  
W: <https://edtec.com/>



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**From:** Biante Gainous <[bgainous@lvccs.org](mailto:bgainous@lvccs.org)>  
**Sent:** Wednesday, April 7, 2021 2:51 PM  
**To:** Kristin Dietz <[kristin.dietz@edtec.com](mailto:kristin.dietz@edtec.com)>  
**Subject:** Fwd: Las Vegas Collegiate Revolving Loan Application - Additional Information Request

----- Forwarded message -----



From: **Danny Peltier** <[dpeltier@spsca.nv.gov](mailto:dpeltier@spsca.nv.gov)>

Date: Wed, Apr 7, 2021 at 2:50 PM

Subject: Las Vegas Collegiate Revolving Loan Application - Additional Information Request

To: [bgainous@lvccs.org](mailto:bgainous@lvccs.org) <[bgainous@lvccs.org](mailto:bgainous@lvccs.org)>

CC: Michael Dang <[mdang@spsca.nv.gov](mailto:mdang@spsca.nv.gov)>, Michael Hutchins <[m.hutchins@spsca.nv.gov](mailto:m.hutchins@spsca.nv.gov)>

Good afternoon Biante,

While reviewing Las Vegas Collegiate's Revolving Loan application we were unable to find a letter from a 3<sup>rd</sup> party certified public accountant attesting that the internal financial controls and procedure controls (Exhibit 1.6). We did find a copy of your internal financial controls as an attachment however.

Since LVC is working with EdTec, we would accept an email or letter from a finance executive from EdTec and/or CPA attesting that the internal financial controls and procedure controls are in form and substance similar to others adopted by the school boards of other charter school clients of the firm and therein are not unreasonable such as to provide reasonable assurances of repayment of the Revolving Loan to the SPCSA.

Please let me know if you have any questions.

Best Regards,

Danny



**Danny Peltier** | Management Analyst I

State of Nevada | State Public Charter School Authority

[1749 North Stewart Street Suite 40, Carson City, Nevada 89706](https://www.spsca.nv.gov)

O: 775.687.9178 | F: 775.687-9113 | E:

[dpeltier@spsca.nv.gov](mailto:dpeltier@spsca.nv.gov)

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Biante Gainous, M.Ed | Founder & Executive Director | Las Vegas Collegiate Charter

School | 702.762.2254

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