

# Presentation of Preliminary Report

SPCSA-Appointed Closing Administrator for Nevada Prep Charter School

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## Background

- The SPCSA held a series of meetings concerning NV Prep prior to the December 12, 2025 appointment of a Closing Administrator.
- Among other things, the SPCSA determined that:
  - Nevada Prep had a significant and unsustainable debt burden.
  - Nevada Prep's academic performance declined precipitously over the past 2 years.
- On Dec 12, the SPCSA voted not to renew NV Prep's charter and appoint a Closing Administrator.
- Nevada Prep remains in operation through the remainder of this school year (~470 students).
- This deck summarizes the Closing Administrator's preliminary assessment and initial stabilization actions.
- Further audits and analyses will follow.

## Executive Summary

1. On December 12, 2025, Nevada Prep was insolvent and operating with numerous unsafe conditions and unlawful activities.
2. NV Prep faces significant staffing, human resource, and capacity challenges. Some of these issues have been addressed while others are ongoing.
3. Prior to the Closing Administrator appointment misconduct by the former leadership and Board members placed the school in an untenable situation and raise legal and ethical questions that must be addressed.

## Finding 1: Insolvency, Unsafe Conditions and Unlawful Activities

Conditions observed / documented at the time of appointment included:



### Deposit Accounts Activity Summary

Report Created: 12/17/2025 07:03:01 PM (ET)

Account: Nevada Prep - Checking [REDACTED]

Date range: 12/04/2025 to 12/17/2025

#### INSOLVENCY

- Overdrawn bank account and months of unpaid invoices to essential vendors (some discontinued or threatened service).
- Unpaid utilities with risk of service interruption.
- Lease in default: unpaid rent (Sept, Nov, Dec)  $\approx \$204,191.59$ ; additional rent also due.
- Recently procured six-figure debt at an effective interest rate  $\sim 40\%$ .

12/15/2025	IPFS866-412-6739 IP	PREAUTHORIZED ACH DEBIT IPFS866-412-6739 IPFSPMTWAS 251215 578728	\$1,888.37	-\$178.43
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## Insolvency Example 1 : Accumulating Past Due Obligations

While paying down \$343,000 in past due PERS obligations and paying back an ~\$89,000 loan from the Board Chair, NV Prep accumulated over twice that amount in new past due obligations, including, but not limited to, \$571,000 in new past due obligations in just the following six creditors:

- Building Hope (Rent) \$204,000
- SLA (Food Service) \$138,000
- National Funding \$140,000
- SSG-Healthcare \$29,000
- Procare \$37,000
- Fit Eats \$23,000

The reduced past due PERS obligations was not evidence that Nevada Prep was on track for a financial turnaround.

In fact, Nevada Prep's financial condition deteriorated over the last 2 years, especially the last 2 months.

## Insolvency Example 2: Sale of Receivables

On October 13, 2025, at precisely the same time that NV Prep was stating to the SPCSA that the financial performance of the school was stellar, NV Prep initiated a “Sale of Receivables” Agreement with National Funding, Inc. with the following terms:

- Funds received \$121,875.
- \$169,999.96 due within a year.
- Weekly remittance of \$3,269.23 until the debt is paid back in full.

This agreement has not only has an approximate 40% markup (NV Prep has to pay back 40% more than it received within a year); it reflects a nominal APR of approximately 70% and an effective APR of 100%!

## **Finding 1: Insolvency, Unsafe Conditions and Unapproved Activities**

Conditions observed / documented at the time of appointment included:

### **UNSAFE & UNLAWFUL CONDITIONS**

- Unsafe facility conditions (e.g., inoperable elevator with doors open; active plumbing leaks).
- Unapproved transportation program operating out of compliance with state requirements.
- Non-compliant food service program
- Unlicensed, fee-based, after-school program with unaccounted for funds.



**NEVADA MINIMUM SCHOOL BUS  
STANDARDS & SPECIFICATIONS**

## Finding 2: Staffing, Human Resource, and Capacity Challenges

- Multiple open positions at the time of appointment, including.
  - Kindergarten Aide
  - 5th Grade Math/Science teacher (temporary - current teacher will be on FMLA),
  - 6th Grade ELA (temporary - currently on FMLA)
  - 7th Grade SS/Writing (vacant as of 12/18)
  - 6th/8th Grade Science
  - 7th Grade Math/Science (temporary - paternity leave)
- Key academic and operational functions lacked qualified personnel and/or clear ownership
- Incomplete human resource files and missing employment contracts
- Limited internal skill and experience to manage the school through closure conditions and heightened compliance needs
- No organizational chart or job descriptions

# Example: Missing, Unsigned, and Inadequate Employment Contracts

## CONTRACT SAMPLE

- No Signatures (for the ED or the Employee)
- No Job Description
- Salary - \$90,000 per year, is actually for a part-time position; that information is **not** included in the contract either

School:	Employee:
Las Vegas Preparatory, a Nevada nonprofit corporation and charter school operator doing business as Nevada Prep,	
Signature:	Signature: _____
Name: John Haynal	
Title: Executive Director	
Date: _____, 2025	Date: 05/28/2025

Reference	Subject	Term(s)
Preamble	Employee Name:	
Preamble	Date of Birth:	
Preamble	SSN:	
Section 3	Job Title / Position:	
Section 7(a)	Gross Annual Base Salary:	US \$ ___\$90,000
Section 8(b)	School Year:	2025-2026
Section 13(g)	Employee's Contact Details:	
	Mailing Address:	
	Telephone No.:	
	Email Address:	
N/A	Miscellaneous Additional Term(s):	N/A

## Finding 3: Pre-Appointment Misconduct & Concerns

Despite the dire financial situation of the school, just prior to the appointment of a Closing Administrator, leadership inexplicably:

- Gave 4 staff members significant raises (more than \$20K each – with one employee receiving an effective raise of approximately \$40K, after October 31, 2025) despite the school leader's commitment to submit a revised budget with staffing cuts, without supporting documentation for the raises
- Prepaid an ~\$89,000 loan made by the Board Chair's Investment Firm - on December 8, immediately prior to the appointment of a Closing Administrator
- These actions, among others, raise serious conflict-of-interest and governance questions.
- Requested return of funds from former counsel and involved parties.
- Recommended referrals: Nevada Commission on Ethics (NRS 281A.400) and Nevada Attorney General (Open Meeting Law, NRS Chapter 241).

## Example 1: Undocumented, Mid-cycle Raises to Administrators

Beginning November 2025, four administrators' pay exceeded their contractual salary amount

There is no supporting documentation concerning or authorizing these large mid-cycle raises

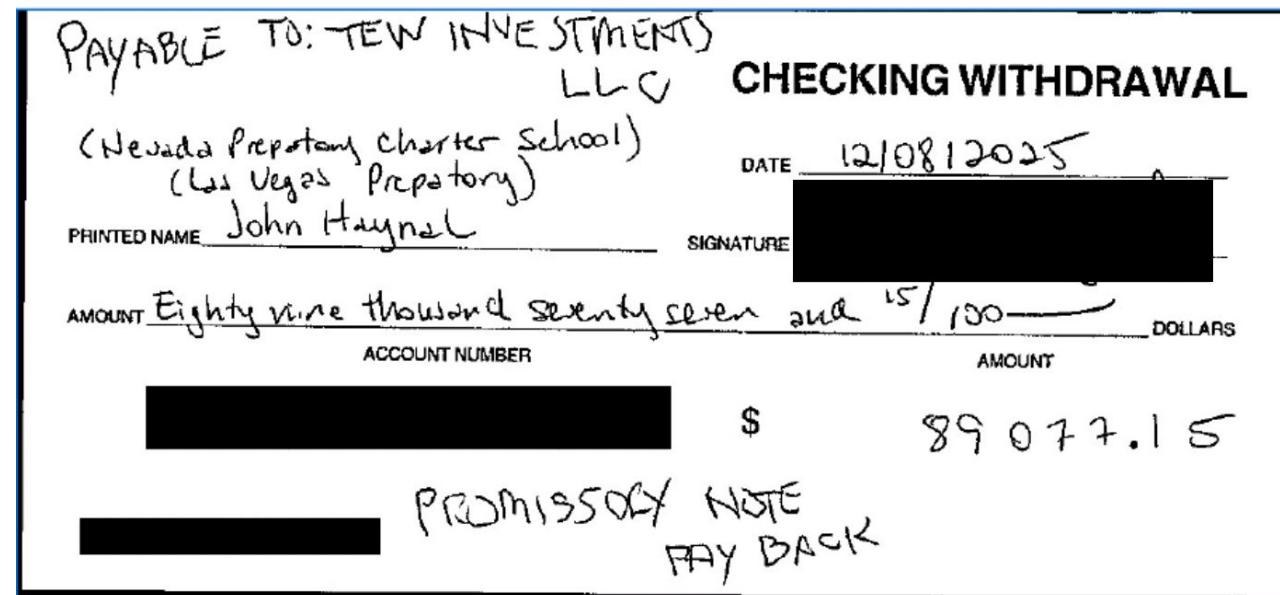
The affected personnel include:

- [REDACTED] — Contracted salary: \$77,000 (\$3,208 per pay period); Actual pay: \$4,055 per pay period.
- [REDACTED] — Contracted salary: \$66,000 (\$2,750 per pay period); Actual pay: \$3,667 per pay period.
- [REDACTED] — No contract on file; Pay prior to November 2025: \$3,958.33 per pay period (\$94,999 annualized); Actual pay: \$5,611 per pay period (\$134,664 annualized).
- [REDACTED] — Contracted salary: \$48,000 (\$2,050 per pay period); Actual pay: \$2,888 per pay period.

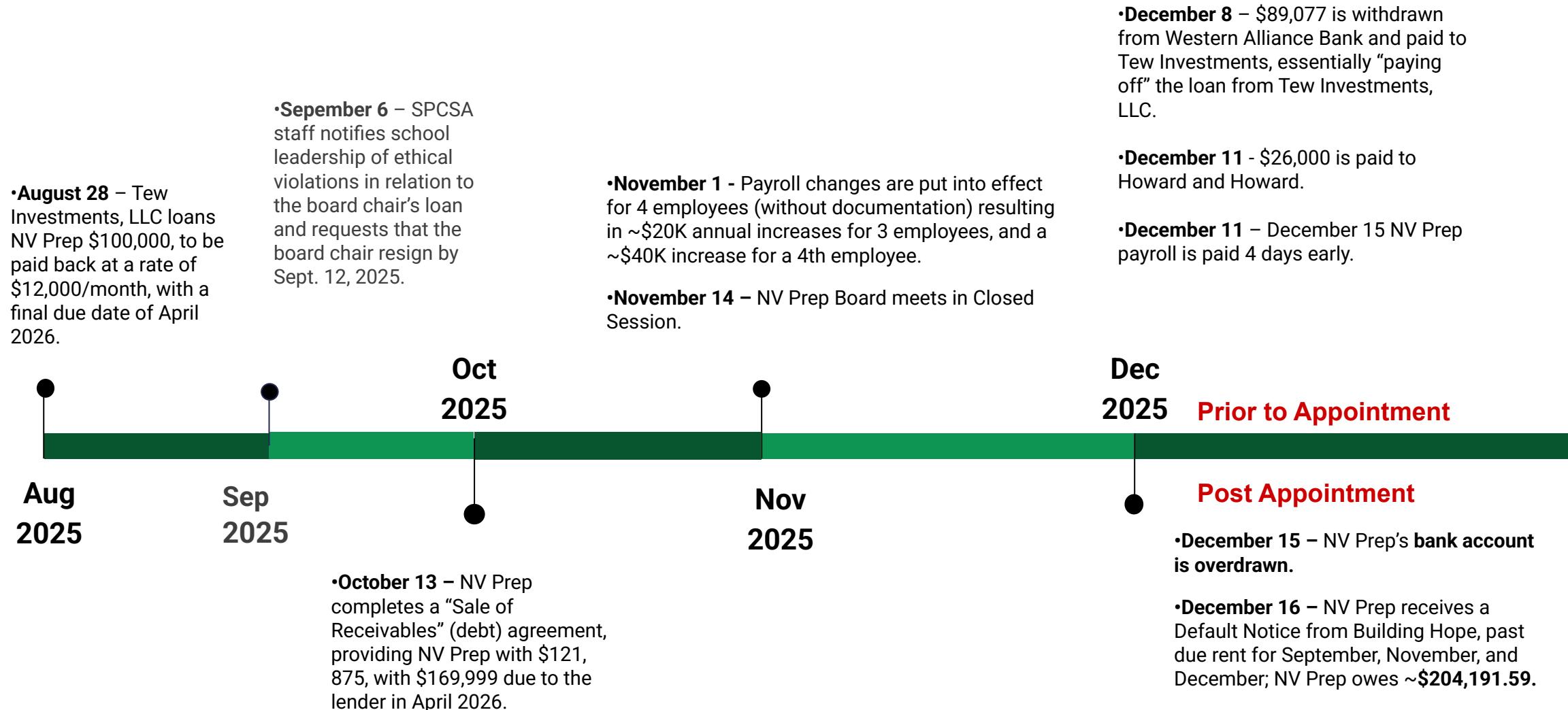
It's worth noting not only the peculiar timing of these payments, but also that the four employees receiving these payments were in a position to know material information about the school that contradicted NV Prep's statements to the SPCSA.

## Example 2: Prepayment of Board Chair Loan

- August 28, 2025 - Tew Investments (NV Prep Board Chair's firm) makes a loan to Nevada Prep, for \$100,000 payable @\$12,000/month, due April 1, 2026
- As of December 2025, Nevada Prep owes Tew Investments ~\$89K
- On December 8, 2025 John Haynal goes to Nevada Prep's bank and purchases a Cashier's Check in the amount of \$89,077.15 payable to Tew Investments, LLC.
- The loan was prepaid immediately prior to the appointment of a Closing Administrator and ahead of other critical obligations, including past due obligations for PERS, rent, and utilities.
- As a result of the prepayment of this loan, Nevada Prep's checking account was overdrawn on the first business day after the appointment of a Closing Administrator.



# Timeline Preceding Appointment of Closing Administrator



## Initial Stabilization Activities by Closing Administrator

- Assumed control of NV Prep bank accounts (Western Alliance Bank).
- Approved critical payables essential to school operations and deferred others pending review.
- Established regular invoice, receivable, and bill-pay review practices.
- Oversaw payroll processing on Jan 2, 2026 and corrected payroll for Jan 15, 2026.
- Increased management oversight of financial reporting.
- Addressed unsafe facility issues.
- Corrected unlawful transportation practices.
- Restored compliance with food service program.
- Began correcting HR deficiencies.
- Normalized payroll, terminated certain employees, and adjusted job responsibilities to match with competencies.

## Critical and Urgent Next Steps:

### Seek rent relief (Building Hope)

- Dec 16, 2025: Building Hope issued a Notice of Default for unpaid base rent (~\$204,191.59) and additional rent (~\$181,947).
- Jan 3, 2026: Closing Administrator requested rent relief through the end of the school year.
- NV Prep cannot pay rent and meet the financial obligations of other essential services.
- NV Prep cannot operate through the end of this school year under the threat of imminent eviction.

### Convert to Court Appointed Receivership

- Nevada Prep received a summons on January 14 concerning a past due obligation of approximately \$140,000.
- To defend this matter, as well as to effectively address other impending issues, the Closing Administrator appointment should be converted to a Court-Appointed Receivership.

## Conclusion & Additional Next Steps

- Nevada Prep is in a untenable financial and challenging operational situation requiring significant and sustained intervention throughout the remainder of this school year..
- The Closing Administrator team will continue stabilization work to maintain a safe, compliant learning environment through the end of SY 2025–26.
- Next steps include: updated financial forecast and rightsizing plan; continued landlord/vendor negotiations; ongoing compliance remediation; deeper audits and analyses; separate academic/culture review.

## Closing Administrator Team

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- Joshua Kern - Closing Administrator & Business/Financial Lead
- Dr. Alexandra Pardo - Leadership & Operations Lead
- LaRita Williams - Academics & Culture Lead
- Janalee Jordan Meldrum - Grants & Reporting Lead

# Questions & Answers