



## **NOTICE OF PUBLIC MEETING of the Board of Directors of SOMERSET ACADEMY OF LAS VEGAS**

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NOTICE IS HEREBY GIVEN THAT THE BOARD OF DIRECTORS OF SOMERSET ACADEMY OF LAS VEGAS, A PUBLIC CHARTER SCHOOL, WILL CONDUCT A PUBLIC MEETING ON JULY 21, 2023 BEGINNING AT 8:00 A.M. VIA ZOOM. THE PUBLIC IS INVITED TO ATTEND.

PLEASE CLICK THE LINK BELOW TO JOIN THE WEBINAR:

[HTTPS://US02WEB.ZOOM.US/J/88413233906](https://us02web.zoom.us/j/88413233906) OR VIA PHONE +16699009128 +17193594580

ATTACHED HERETO IS AN AGENDA OF ALL ITEMS SCHEDULED TO BE CONSIDERED. UNLESS OTHERWISE STATED, THE BOARD CHAIRPERSON MAY 1) TAKE AGENDA ITEMS OUT OF ORDER; 2) COMBINE TWO OR MORE ITEMS FOR CONSIDERATION; OR 3) REMOVE AN ITEM FROM THE AGENDA OR DELAY DISCUSSION RELATING TO AN ITEM.

REASONABLE EFFORTS WILL BE MADE TO ASSIST AND ACCOMMODATE PHYSICALLY DISABLED PERSONS DESIRING TO ATTEND OR PARTICIPATE IN THE MEETING. ANY PERSONS REQUIRING ASSISTANCE MAY CONTACT DENA THOMPSON AT (702) 431-6260 OR [DENA.THOMPSON@ACADEMICANV.COM](mailto:DENA.THOMPSON@ACADEMICANV.COM) TWO BUSINESS DAYS IN ADVANCE TO CONVENIENTLY MAKE ARRANGEMENTS.

DENA THOMPSON IS THE CONTACT PERSON FOR THE MEETING AGENDA, SUPPORT MATERIALS, AND MINUTES. THE MATERIALS ARE AVAILABLE VIA EMAIL AT [DENA.THOMPSON@ACADEMICANV.COM](mailto:DENA.THOMPSON@ACADEMICANV.COM), BY VISITING THE SCHOOL'S WEBSITE AT [HTTPS://SOMERSETACADEMYOFLASVEGAS.COM/](https://somersetacademyoflasvegas.com/), OR AT 6630 SURREY ST., LAS VEGAS, NV 89119 FOR COPIES OF THE MEETING AUDIO, PLEASE EMAIL [DENA.THOMPSON@ACADEMICANV.COM](mailto:DENA.THOMPSON@ACADEMICANV.COM).

PUBLIC COMMENT MAY BE LIMITED TO THREE MINUTES PER PERSON AT THE DISCRETION OF THE CHAIRPERSON.



*We prepare students to excel in academics and attain knowledge through life-long learning by dedicating ourselves to providing Equitable, high-quality education for all students. We promote a culture that maximizes student achievement and fosters the development of accountable 21st Century learners in a safe and enriching environment.*

### **Board of Directors**

**TRAVIS MIZER – *Board Chair***

**LENORA BREDSGUARD – *Board Vice Chair***

**JOHN BENTHAM – *Board Secretary***

**WILL HARTY – *Board Treasurer***

**CODY NOBLE – *Board Member***

**SARAH MCCLELLAN – *Board Member***

**RENEE FAIRLESS – *Board Member***

## **MEETING OF THE BOARD OF DIRECTORS**

**JULY 21, 2023**

# **AGENDA**

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## **1. CALL TO ORDER AND ROLL CALL**

## **2. PUBLIC COMMENT**

*(NO ACTION MAY BE TAKEN ON A MATTER RAISED UNDER THIS ITEM OF THE AGENDA UNTIL THE MATTER ITSELF HAS BEEN SPECIFICALLY INCLUDED ON AN AGENDA AS AN ITEM UPON WHICH ACTION WILL BE TAKEN.)*



### 3. ACTION & DISCUSSION ITEMS

- a. DISCUSSION AND POSSIBLE ACTION REGARDING THE PURCHASE OF PROPERTY ADJACENT TO THE LONE MOUNTAIN CAMPUS (FOR POSSIBLE ACTION)
- b. APPROVAL OF THE SINGLE AUDIT (FOR POSSIBLE ACTION)

### 4. ANNOUNCEMENTS AND NOTIFICATIONS

### 5. MEMBER COMMENT

### 6. PUBLIC COMMENT

*(NO ACTION MAY BE TAKEN ON A MATTER RAISED UNDER THIS ITEM OF THE AGENDA UNTIL THE MATTER ITSELF HAS BEEN SPECIFICALLY INCLUDED ON AN AGENDA AS AN ITEM UPON WHICH ACTION WILL BE TAKEN.)*

### 7. ADJOURN MEETING

THIS NOTICE AND AGENDA HAS BEEN POSTED ON OR BEFORE 9 A.M. ON THE THIRD WORKING DAY BEFORE THE MEETING AT THE FOLLOWING LOCATIONS:

- 1) SOMERSET ALIANTE CAMPUS – 6475 VALLEY DR., NORTH LAS VEGAS, NV 89084
- 2) SOMERSET LONE MOUNTAIN CAMPUS – 4491 N. RAINBOW BLVD., LAS VEGAS, NV 89108
- 3) SOMERSET LOSEE CAMPUS – 4650 LOSEE ROAD, NORTH LAS VEGAS, NV 89081
- 4) SOMERSET NORTH LAS VEGAS CAMPUS – 385 W. CENTENNIAL PKWY, NORTH LAS VEGAS, NV 89084
- 5) SOMERSET SKY POINTE CAMPUS – 7038 SKY POINTE DR., LAS VEGAS, NV 89131
- 6) SOMERSET SKYE CANYON CAMPUS – 8151 N. SHAUMBER ROAD, LAS VEGAS, NV 89166
- 7) SOMERSET STEPHANIE CAMPUS – 50 N. STEPHANIE ST., HENDERSON, NV 89074
- 8) [HTTPS://SOMERSETACADEMYOFLASVEGAS.COM/](https://somersetacademyoflasvegas.com/)
- 9) [HTTPS://NOTICE.NV.GOV/](https://notice.nv.gov/)

# SOMERSET ACADEMY OF LAS VEGAS

## SUPPORT SUMMARY

MEETING DATE: **JULY 21, 2023**

AGENDA ITEM: **3a – DISCUSSION AND POSSIBLE ACTION REGARDING THE PURCHASE OF PROPERTY ADJACENT TO THE LONE MOUNTAIN CAMPUS**

NUMBER OF ENCLOSURES: **0**

SUBJECT: **MINUTES APPROVAL**

ACTION

CONSENT AGENDA

INFORMATION

PUBLIC HEARING

PRESENTER(S): **RYAN REEVES/GARY McCLAIN**

PROPOSED WORDING FOR MOTION/ACTION:

**MOVE TO APPROVE THE GO UNDER CONTRACT AND PROCEED WITH PURCHASING THE PROPERTY ADJACENT TO THE LONE MOUNTAIN CAMPUS.**

FISCAL IMPACT: **NO**

ESTIMATED LENGTH OF TIME FOR CONSIDERATION (IN MINUTES): **5-7 MINUTES**

BACKGROUND:

**AS APPROVED AT THE BOARD MEETING ON 6-26-2023, JOHN BENTHAM WAS DELEGATING AUTHORITY TO ENTER A CONTINGENT CONTRACT TO PURCHASE A PARCEL ADJACENT TO THE LONE MOUNTAIN CAMPUS AT 6885 W RED COACH AVE. THE CURRENT CONTRACT PRICE \$669,500. THIS IS NOW BACK FOR YOUR FINAL APPROVAL.**

**RECOMMENDATION: APPROVE THE PURCHASE OF SAID PARCEL FOR THE AMOUNT OF \$669,500 PLUS REASONABLE AND APPLICABLE FEES.**

# SOMERSET ACADEMY OF LAS VEGAS

## SUPPORT SUMMARY

MEETING DATE: **JULY 21, 2023**  
AGENDA ITEM: **3b – APPROVAL OF THE SINGLE AUDIT**  
NUMBER OF ENCLOSURES: **1**

**SUBJECT: APPROVAL OF THE SINGLE AUDIT**

**ACTION**  
 CONSENT AGENDA  
 INFORMATION  
 PUBLIC HEARING

PRESENTER(S): **TREVOR GOODSSELL**

PROPOSED WORDING FOR MOTION/ACTION:

**MOVE TO APPROVE THE SINGLE AUDIT, AS PRESENTED.**

FISCAL IMPACT: **NO**

ESTIMATED LENGTH OF TIME FOR CONSIDERATION (IN MINUTES): **5-7 MINUTES**

BACKGROUND:

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**SOMERSET ACADEMY OF LAS VEGAS**

*SINGLE AUDIT REPORT*

*JUNE 30, 2022*

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**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  
Somerset Academy of Las Vegas  
Las Vegas, Nevada

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

**Report On Internal Control Over Financial Reporting**

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

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



Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, and 2022-004 that we consider to be significant deficiencies.

### **Report On Compliance And Other Matters**

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

### **School's Response To Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Somerset Academy of Las Vegas's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Somerset Academy of Las Vegas's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

### **Purpose Of This Report**

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

*RubinBrown LLP*

July 11, 2023

**Independent Auditors' Report  
On Compliance For Each Major Federal  
Program; Report On Internal Control Over  
Compliance; And Report On The Schedule  
Of Expenditures Of Federal Awards  
Required By The Uniform Guidance**

Board of Directors  
Somerset Academy of Las Vegas  
Las Vegas, Nevada

**Report On Compliance For Each Major Federal Program**

***Opinion On Each Major Federal Program***

We have audited Somerset Academy of Las Vegas's compliance with the types of compliance requirements as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2022. Somerset Academy of Las Vegas's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Somerset Academy of Las Vegas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis For Opinion On Each Major Federal Program***

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

We are required to be independent of Somerset Academy of Las Vegas and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Somerset Academy of Las Vegas's compliance with the compliance requirements referred to above.

### ***Responsibilities Of Management For Compliance***

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

### ***Auditors' Responsibilities For The Audit Of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

### **Report On Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities For The Audit Of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-005 and 2022-006 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Somerset Academy of Las Vegas's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Somerset Academy of Las Vegas's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

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

### **Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance**

We have audited the financial statements of the governmental activities and each major fund of Somerset Academy of Las Vegas as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Somerset Academy of Las Vegas's basic financial statements. We have issued our report thereon dated November 30, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RubinBrown LLP*

July 11, 2023

# SOMERSET ACADEMY OF LAS VEGAS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Subaward/Identifying Number/ Cluster	Contract Number	Expenditures Federal	Expenditures To Sub-Recipients
<b>U.S. Department of Agriculture</b>					
Pass-through programs from State of Nevada Department of Agriculture:					
Child Nutrition Cluster:					
National School Lunch Program	10.555		N-23-14	\$ 1,954,450	\$ —
School Breakfast Program	10.553		N-23-14	113,153	—
Total Child Nutrition Cluster				2,067,603	—
Food Distribution Cluster:					
DOD Commodity Supplemental Food Program	10.565			67,372	—
Total Food Distribution Cluster				67,372	—
<b>Total U.S. Department of Agriculture</b>				2,134,975	—
<b>U.S. Department of Education</b>					
Pass-through programs from Nevada Department of Education:					
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)					
Charter Schools Program Grants for Replication and Expansion High Quality Charter Schools	84.425D	S1		218,990	—
Total passed-through from Nevada Department of Education				537,372	—
Passed-through from State Public Charter School Authority:					
Title I Grants to Local Educational Agencies	84.010			256,654	—
Title II - Supporting Effective Instruction State Grants	84.367			255,245	—
Title IVA - Student Support and Academic Enrichment Program	84.424A			61,710	—
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)					
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425	S1		170,266	—
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	S1		1,411,925	—
COVID-19 Governor's Emergency Education Relief Fund (GEER I)	84.425C	S1		667,098	—
Advancing Wellness and Resiliency in Education (Project Aware)	94.243			128,997	—
Special Education - Grants to States (IDEA, Part B)	84.027	C1		1,035	—
Special Education - Grants to States (IDEA, Part B EXN)	84.027	C1		1,346,612	—
Special Education - Grants to States (IDEA, Part B ESY)	84.027	C1		24,408	—
American Rescue Plan Funds - IDEA - Part B	84.027	C1		18,481	—
Total passed-through from State Public Charter School Authority				215,998	—
<b>Total U.S. Department of Education</b>				5,314,791	—
<b>Total Expenditures Of Federal Awards</b>				\$ 7,449,766	\$ —

Subawards (S) and Clusters (C)	Total
S1-Education Stabilization Fund	\$ 2,597,276
C1-Special Education Cluster (IDEA)	\$ 1,605,499

# SOMERSET ACADEMY OF LAS VEGAS

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

### 1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of Somerset Academy of Las Vegas. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements and it is not intended to and does not present the net position, changes in net position or cash flows of Somerset Academy of Las Vegas.

Pass-through entity identifying numbers are presented where available.

### 2. Basis Of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the financial statements of Somerset Academy of Las Vegas.

### 3. Indirect Costs

Somerset Academy of Las Vegas has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**SOMERSET ACADEMY OF LAS VEGAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2022**

**Section I - Summary Of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes  no

Identification of major federal programs:

<u>Name Of Federal Program Or Cluster</u>	<u>Federal Assistance Listing Number</u>
Child Nutrition Cluster	
National School Lunch Program	10.555
School Breakfast Program	10.553
Special Education Cluster (IDEA, Part B)	84.027
Education Stabilization Fund	84.425
Subawards	
Governor's Emergency Education Relief Fund	84.425C
Elementary and Secondary School Emergency Relief Fund	84.425D
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund	84.425U

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes  no



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# SOMERSET ACADEMY OF LAS VEGAS

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2022

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### Section II - Financial Statement Findings

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#### 2022 -001 Reconciliation Of Accounts - Significant Deficiency

**Condition:** During the course of the audit, the engagement team identified multiple instances where accurate account reconciliations were not adequately performed, to include a review of outstanding reconciling items on cash reconciliations, accounts receivable aging schedules, prepaid expense schedules, and account payable aging schedules and a review of the calculation of payroll accruals.

**Effect:** Potential misstatements could occur if assets and liability accounts are not reconciled and unreconciled items are not resolved in a timely manner. The calculation of payroll accruals could also be misstated without a review process. In the current year, we did not identify any material misstatements in relation to the lack of management review of such reconciliations.

**Cause:** The School does not have an appropriate process in place to provide consistent support of the timely preparation of account reconciliations to include evidence of the resolution of variances, as well as overall review and approval.

**Criteria:** The School should have a process in place to provide consistent support of the timely preparation of account reconciliations to include evidence of the resolution of variances, as well as overall review and approval.

**Auditors' Recommendation:** We recommend that the School develop a consistent process to reconcile asset and liability accounts. Unreconciled variances should be investigated and resolved. A monthly review of account reconciliations should also be implemented.

**View Of Responsible Officials And Timing:** In 2022, the office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify resolution of outstanding items or variances. In addition, reconciliations of cash, accounts receivable, prepaid expenses, and accounts payable were not performed timely due to the staffing turnover and open positions.

To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has filled one of the open positions and is seeking to increase staffing and realign staff responsibilities to reduce individual workloads and provide additional oversight of monthly reconciliations. On a monthly basis, reconciliations will be performed on accounts receivable, accounts payable, prepaid expenses and cash. On a quarterly basis, reconciliations will be performed on other balance sheet accounts as necessary. All reconciliations will be reviewed by a secondary reviewer to ensure their accuracy and resolution of variances.

## SOMERSET ACADEMY OF LAS VEGAS

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2022

#### **2022 -002 Understatement Of Bond Accrued Interest - Significant Deficiency**

**Condition:** During the course of the audit, the engagement team identified that bond accrued interest was not calculated from the last payment of interest on June 15<sup>th</sup> through the end of the year.

**Effect:** Bond accrued interest and interest expense as of year-end were understated.

**Cause:** The School does not have an appropriate process in place to review bond accrual calculations and ensure that they are calculated for the full period from the last payment of the year through the end of the fiscal period.

**Criteria:** The School should have a process in place to review bond accrual calculations to ensure that appropriate adjustments are made.

**Auditors' Recommendation:** We recommend that the School develop a consistent process to review the calculation of bond accrued interest and interest expense for fiscal year reporting.

**View Of Responsible Officials And Timing:** In 2022, the office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify accuracy of all accruals.

To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has filled one of the open positions and is seeking to increase staffing and realign staff responsibilities to reduce individual workloads and provide additional oversight of timely reconciliations. On an annual basis, reconciliations will be performed on the accrual of bond interest. All reconciliations will be reviewed by a secondary reviewer to ensure their accuracy and resolution of variances.

## SOMERSET ACADEMY OF LAS VEGAS

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2022

#### **2022 -003 Accounting For Lease Residual Values - Significant Deficiency**

**Condition:** During the course of the audit, the engagement team identified multiple instances where the lease liability and associated capital assets for several leases associated with the purchases of curriculum, technology and equipment did not accurately include a provision for residual values.

**Effect:** The misstatements of year-end lease liability balances, capital asset balances and disclosures of those balances.

**Cause:** The School did not consider the residual value in calculating lease amortization, lease liabilities and the capitalization of assets purchased with the associated lease.

**Criteria:** The School should have a process in place to review lease terms to ensure all aspects of the lease, including residual values, are included in the respective calculations.

**Auditors' Recommendation:** We recommend that the School develop procedures for recording new leases to include calculation procedures and a review process. In addition, the preparers and reviewers of lease calculations should obtain an understanding of the current standards.

**View Of Responsible Officials And Timing:** In 2022, the office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify accuracy of the residual value calculations.

To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has filled one of the open positions and is seeking to increase staffing and realign staff responsibilities to reduce individual workloads and provide additional oversight and review. Calculations related to new leases will be reviewed by a secondary reviewer to ensure their accuracy.

## SOMERSET ACADEMY OF LAS VEGAS

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2022

#### **2022 -004 Review Of Capital Assets For The Removal Of Fully Depreciated Items No Longer In Use - Significant Deficiency**

**Condition:** During the course of the audit, the engagement team identified multiple instances fully depreciated capital assets no longer in use or held by the School were not recorded as disposals.

**Effect:** The overstatement of gross capital assets and gross accumulated depreciation.

**Cause:** The School does not have an appropriate process in place to review the fixed asset listing to ensure that capital assets no longer in use or owned by the School are recorded as disposals and timely removed from the fixed asset listing.

**Criteria:** The School should have a process in place to periodically review the fixed asset listing for assets that are no longer in use or were disposed of and for recording the disposal in the accounting software.

**Auditors' Recommendation:** We recommend that the School develop a consistent process to review the fixed asset listing and ensure that capital assets no longer in use or owned by the School are removed and that the corresponding entries to record the disposal are posted to the accounting records.

**View Of Responsible Officials And Timing:** The School will establish procedures to review the capital asset listings on a quarterly basis for accuracy and verify the assets listed are still owned or under lease and used in operations. Items no longer owned or in use will be properly recorded and identified on the capital asset listing or disposed of.

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## SOMERSET ACADEMY OF LAS VEGAS

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2022

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#### Section III - Federal Award Findings And Questioned Costs

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#### **2022 -005 Review And Approval Of The Schedule Of Expenditures Of Federal Awards (SEFA) - Significant Deficiency**

##### **All Federal Programs**

**Criteria:** The Uniform Guidance in 2 CFR Section 200.303 requires that non-Federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The School should have a process in place to perform a review of the SEFA, to include evidence of the resolution of variances, as well as a process to document the overall review and approval to ensure proper presentation, completeness, and accuracy of the SEFA.

**Condition:** During the course of the audit, we noted there is no documentation of the review process of the SEFA to ensure accuracy and completeness.

**Cause:** The entity does not have an appropriate process in place to review the SEFA, to include retaining evidence of the resolution of variances, as well as documentation of the overall review and approval.

**Effect:** Potential misstatement could occur if expenditure amounts are not accurately presented on the SEFA.

**Questioned Costs:** Not applicable.

**Context:** Not applicable.

**Identification As A Repeat Finding:** Yes.

**Recommendation:** The School should develop a consistent process to review the SEFA. Issues identified during the course of the review should be investigated and resolved in a timely manner.

**View Of Responsible Officials:** In 2022, the management office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify accuracy. To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has increased staffing to realign staff responsibilities to reduce individual workloads and provide additional oversight and review. On a monthly basis, reconciliations will be performed on grant submissions and expenditures, and reviewed by the Controller, Director of Accounting, or CFO. The annual SEFA will be reviewed by the Director of Finance or CFO.

## SOMERSET ACADEMY OF LAS VEGAS

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2022

**2022 -006 Approval Of Expense Reimbursement Submittals - Significant Deficiency - Activities Allowed Or Unallowed And Allowable Costs/Cost Principles**

**ALNs 84.425/84.425C/84.425D/84.425U - Elementary And Secondary School Emergency Relief Fund (ESSER)**

**Criteria:** The Uniform Guidance in 2 CFR Section 200.303 requires that non-Federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The School has an internal control in place that expense reimbursement submittals on federal grants be approved by School management prior to their submission to the state for reimbursement.

**Condition:** During the course of the audit, the engagement team identified multiple instances where the support showing School management's approval of the expense reimbursement submittal for federal grants was unable to be provided.

**Cause:** The entity did not maintain sufficient support documentation to prove that expenditures were reviewed before expense reimbursement requests were submitted.

**Effect:** Potential noncompliance could occur if expenditure amounts are not reviewed by School management for accuracy and completeness.

**Questioned Costs:** Not applicable.

**Context:** Not applicable.

**Identification As A Repeat Finding:** Not applicable.

**Recommendation:** The School should maintain proper documentation for all expense reimbursement submittals.

**View Of Responsible Officials:** All expense reimbursements should be approved in writing. The findings occurred at a time when Academics Nevada was shorthanded. Since that time all open positions have been filled. Grant managers send a request for approval for reimbursement to the applicable school. Approval is in writing, typically via email, prior to the submittal of the reimbursement request.

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# SOMERSET ACADEMY OF LAS VEGAS

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For The Year Ended June 30, 2022

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### Financial Statement Findings

#### 2021 -001 Reconciliation Of Accounts - Significant Deficiency

**Condition:** During the course of the audit, the engagement team identified multiple instances where accurate account reconciliations were not adequately performed, to include a review of outstanding Accounts Receivable, Accounts Payable and Cash reconciliations. The engagement team identified this as a pervasive deficiency impacting the School when reviewing various reconciliations prepared by management.

**Status:** During the year ended June 30, 2022, similar findings were noted and are included in finding 2022-001.

### Federal Award Findings And Questioned Costs

#### 2021 -002 Review And Approval Of The Schedule Of Expenditures Of Federal Awards (SEFA) - Significant Deficiency

**Condition:** During the course of the audit, the engagement team identified multiple instances where the SEFA was not accurately prepared and presented. Specifically, the National School Lunch Program-Equipment program CFDA #10.579 was not properly reported in the Child Nutrition Cluster on the SEFA. In addition, expenditures were incorrectly reported under the Commodity Supplemental Food Program (CFDA #10.565) instead of the National School Lunch Program (CFDA #10.555). Further, these expenditures were inaccurately reported, as they should have been \$67,372 instead of the \$52,515 initially reported by management. The SEFA was corrected to fix these errors. The engagement team identified this as a pervasive deficiency impacting all schools, as the SEFA was prepared by the same management personnel.

**Status:** During the year ended June 30, 2022, although no instances were noted in which the SEFA was not accurately prepared, there was no documented review and approval of the SEFA which is included in finding 2022-005.



July 6, 2023

RubinBrown  
10801 W Charleston Blvd.  
Suite 300  
Las Vegas, NV 89135

In connection with the Single Audit of Somerset Academy of Las Vegas (“the School”) for the year ended June 30, 2022 transmitted herewith is the Fiscal Year 2022 Corrective Action Plan in accordance with 2 CFR Section 200.511, *Audit Findings Follow-Up*. This schedule provides the status of the *Government Auditing Standards* and Single Audit findings for the 2022 fiscal year.

**Finding Number:** 2021-001 and 2022-001 – Reconciliation of Accounts

**Corrective Action Plan:** In 2022, the office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify resolution of outstanding items or variances. In addition, reconciliations of cash, accounts receivable, prepaid expenses, and accounts payable were not performed timely due to the staffing turnover and open positions.

To strengthen the oversight of financial management in the School, Academica Nevada, the School’s management company, has filled one of the open positions and is seeking to increase staffing and realign staff responsibilities to reduce individual workloads and provide additional oversight of monthly reconciliations. On a monthly basis, reconciliations will be performed on accounts receivable, accounts payable, prepaid expenses and cash. On a quarterly basis, reconciliations will be performed on other balance sheet accounts as necessary. All reconciliations will be reviewed by a secondary reviewer to ensure their accuracy and resolution of variances.

**Personnel Responsible for Corrective Action:** Nachum Golodner, Academica Director of Accounting

**Anticipated Completion Date:** June 30, 2023

**Finding Number:** 2022-002 –Understatement of Bond Accrued Interest

**Corrective Action Plan:** In 2022, the office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify accuracy of all accruals.





# ACADEMICA NEVADA

To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has filled one of the open positions and is seeking to increase staffing and realign staff responsibilities to reduce individual workloads and provide additional oversight of timely reconciliations. On an annual basis, reconciliations will be performed on the accrual of bond interest. All reconciliations will be reviewed by a secondary reviewer to ensure their accuracy and resolution of variances.

**Personnel Responsible for Corrective Action:** Nachum Golodner, Academica Director of Accounting

**Anticipated Completion Date:** June 30, 2023

**Finding Number:** 2022-003 –Accounting For Lease Residual Values

**Corrective Action Plan:** In 2022, the office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify accuracy of the residual value calculations.

To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has filled one of the open positions and is seeking to increase staffing and realign staff responsibilities to reduce individual workloads and provide additional oversight and review. Calculations related to new leases will be reviewed by a secondary reviewer to ensure their accuracy.

**Personnel Responsible for Corrective Action:** Nachum Golodner, Academica Director of Accounting

**Anticipated Completion Date:** June 30, 2023

**Finding Number:** 2022-004 – Review Of Capital Assets for the Removal Of Fully Depreciated Items No Longer In Use

**Corrective Action Plan:** The School will establish procedures to review the capital asset listings on a quarterly basis for accuracy and verify the assets listed are still owned or under lease and used in operations. Items no longer owned or in use will be properly recorded and identified on the capital asset listing or disposed of.

**Personnel Responsible for Corrective Action:** Nachum Golodner, Academica Director of Accounting

**Anticipated Completion Date:** June 30, 2023



# ACADEMICA NEVADA

**Finding Number:** 2021-002 and 2022-005 Review and Approval Of the Schedule of Expenditures Of Federal Awards (SEFA)

**Corrective Action Plan:** In 2022, the management office had downsized due to turnover in staff. While a process was in place for reconciling, a secondary review was not performed to verify accuracy.

To strengthen the oversight of financial management in the School, Academica Nevada, the School's management company, has increased staffing to realign staff responsibilities to reduce individual workloads and provide additional oversight and review. On a monthly basis, reconciliations will be performed on grant submissions and expenditures, and reviewed by the Controller, Director of Accounting, or CFO. The annual SEFA will be reviewed by the Director of Finance or CFO.

**Personnel Responsible for Corrective Action:** Nachum Golodner, Academica Director of Accounting

**Anticipated Completion Date:** June 30, 2023

**Finding Number:** 2022-006 – Approval of Expense Reimbursement Submittals

**Corrective Action Plan:** All expense reimbursements should be approved in writing. The findings occurred at a time when Academica Nevada was shorthanded. Since that time all open positions have been filled. Grant managers send a request for approval for reimbursement to the applicable school. Approval is in writing, typically via email, prior to the submittal of the reimbursement request.

**Personnel Responsible for Corrective Action:** Nachum Golodner, Academica Director of Accounting

**Anticipated Completion Date:** June 30, 2023