



**Da Vinci Schools Board of Trustees  
Meeting Minutes  
February 23, 2015  
5:30 P.M. – 7:30 P.M.**

Chet Pipkin, President	Matthew Wunder, Chief Executive Officer, Da Vinci Schools
Don Brann, Vice President	Steve Wallis, School Director, Da Vinci Science
Brian Meath, Treasurer	Kate Parsons, School Director, Da Vinci Design
Cheryl Cook, Secretary	Michelle Rainey, School Director, Da Vinci Innovation Academy
Art Lofton, Trustee, cell	Nathan Barrymore, School Director, Da Vinci Communications
Jennifer Morgan, Trustee	Tom Cox, Chief Financial Officer, Da Vinci Schools
	Sharon Coulter, Director of Development, Da Vinci Schools
	Carla Levenson, Director of External Relations, Da Vinci Schools
	Kim Merritt, Post Grad 12, Da Vinci Schools
	Tien Cotter, Business Manager, Da Vinci Schools
	Tom Johnstone, Superintendent, Wiseburn Unified School District
	Chris Jones, Director of Curriculum, Instruction & Technology, WUSD
	Dave Wilson, Budget/Accounting Director, WUSD
	Marcy Fimbres, Director, Christy White and Associates
	Jhezrel Valentine, Executive Assistant, Da Vinci Schools

**Call to Order**

Meeting was called to order at **5:35 P.M.** by **Chet Pipkin**

**Approval of Minutes**

**Minutes from January 26, 2015 were approved as follows:**

First: **JENNIFER MORGAN**      Second: **CHERYL COOK**      Motion carries: **5-0**

**Board Approvals:**

**2, 3, & 7**

First: **DON BRANN**      Second: **JENNIFER MORGAN**      Motion carries: **5-0**

**Board Approval Pulled:**

**1**

**Approved as follows:**

First: **CHERYL COOK**      Second: **DON BRANN**      Motion carries: **5-0**

**Board Approvals Pulled:**

**4, 5, 6**

**Approved as follows:**

First: **DON BRANN**      Second: **CHERYL COOK**      Motion carries: **5-0**

Mr. Meath arrived at 5:56 P.M., after approvals were completed.



**From the Board:**

**Ms. Morgan** shares that she attended DV Communications Community Dialogue on Friday, January 30<sup>th</sup>, which featured an awards ceremony -- an event, which recognizes students and teachers with fun awards in addition to the Honor Roll awards. Students gave teachers awards as well. Concluding, it was fun.

**Christy White Audit Report** – Ms. Fimbres presents an overview of the audit process along with opinions.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Da Vinci Schools (the “Organization”), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

*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.

*Auditor’s Responsibility:*

Our responsibility is to express an opinion 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor’s 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 opinion.



*Opinion:*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Da Vinci Schools as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Government Auditing Standards**

We have audited, 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, the financial statements of Da Vinci Schools (the “Organization”) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated December 13, 2014.

*Internal Control Over Financial Reporting:*

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. *A material weakness* is a deficiency, or 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 the 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. We did identify a deficiency in internal control over financial reporting, described in the accompanying findings and questioned costs section that we consider to be a significant deficiency noted as Finding 2014-1.

**Report on State Compliance**

We have audited Da Vinci Schools’ compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K – 12 Local Educational Agencies 2013-14*, issued by the California Education Audit Appeals Panel that could have a direct and material effect on each of Da Vinci Schools’ state programs for the fiscal year ended June 30, 2014, as identified below. Reference to Da Vinci Schools within this letter is inclusive of Da Vinci Design, Da Vinci Science, and da Vinci Innovation Academy.



*Management's Responsibility:*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

*Auditor's Responsibility:*

Our responsibility is to express an opinion on compliance for each of Da Vinci Schools' state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits for California K – 12 Local Education Agencies 2013-14*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Da Vinci Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Da Vinci Schools' compliance with those requirements.

*Opinion on State Compliance:*

In our opinion, Da Vinci Schools complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2014.

**Annual Report – Dr. Jones** reports that when looking at this year's annual report, we're looking backward at 2013-14's reporting, which closes out the data for that school year. Last year was the inauguration of the report, making this Version 2.0. All of the information that is compiled for the report coincides nicely with the time of year when we develop SARCS (School Accountability Report Card). In preparing this report, we strived to pull data that may be compared to other data, as in year-to-year, so that we are able to compare growth, but also, wherever possible, see how it compares to statewide data. For example, in the graft below we are able to compare a number of important categories that we'd like to keep an eye on. Such as, *Number of Graduates; 4-Year DV Cohort Grad Rate; and 4-Year DV Cohort Dropout Rate* – all may be compared to statewide data. From this, we're able to see year-to-year how students are doing – whether it's the number of graduates, or graduation rates. This year we included our four year cohort graduation rate, as well as our four year cohort dropout rate, which we anticipate will provide important data when comparing to statewide data. This data essentially asks, *where is the group that we started as freshmen?* Looking at the chart, we see the 4-Year State Cohort Grad Rate for 2012 is at 78.9%; 2013 is at 80.4%; and 2014 remains the same at 80.4%, compared to Da Vinci Schools 4-Year Cohort Grad Rate for 2012 being at 83.3%; 2013 is at 92.6%; and dropping slightly in 2014 to 91.4%. Additionally, when comparing the dropout rates, these numbers become increasingly important when placed in context with Da Vinci Schools adding a thirteenth year. We anticipate and need to remain mindful when sharing this information that students having the opportunity to attend a thirteenth year at Da Vinci will affect our student graduation rate, but will not impact



our student dropout rate, which will remain a steady measure as the dropout rate does not include students who are still enrolled in school.

### Class of 2014 Graduate Overview

Graduating Classes	2014	2013	2012
Number of Graduates	218	272	44
Graduation Rate (12th grade)	99%	99%	98%
A-G Course Completion	98%	99%	100%
College Acceptance	93%	77%	80%
4-Year DV Cohort Grad Rate	91.4%	92.6%	83.3%
4-Year State Cohort Grad Rate	80.4%	80.4%	78.9%
4-Year DV Cohort Dropout Rate	4.2%	4.5%	7.4%
4-Year State Cohort Dropout Rate	11.8%	11.4%	13.1%

**Dr. Jones** concludes by sharing that overall, he hopes the Annual Report is a useful tool for not only the board members but, in a variety of settings; including, site council meetings, school directors and their work, or any areas where information can be shared.

**Mr. Pipkin** adds this is a good report that is well done.

**Financial Update – Mr. Cox** reports the financial report as of January 31, 2015, highlighting a Title V two-year grant received in the amount of \$575,000. **Mr. Cox** states that \$185,000 of expenditures may be challenging to meet. Further stating that initially, it was thought that salaries would be charged against grant, but have since discovered the CDEs interpretation limits salaries that may be charged against the grant. However, **Mr. Cox** explains that in spite of the limitations, the money will be extremely useful in securing computers, copiers, switchers and much needed equipment for Da Vinci Communications, for which the money was received.

**Mr. Cox** also highlights that in reference to the *Funding Ending Balance*, the unrestricted portion in the amount of \$1,733,233, represents 13.4% in reserve. Stating the initial target ending balance is \$1,733,233. The goal for a *Total Beginning Balance* is \$2,114,902. **Mr. Cox** further explains that if we spend down our *restricted*, as we are on target to do, and keep the unrestricted at \$1,733,233, we will have kept our reserves intact.



	<b>Board Approved Budget</b>	<b>Actuals to Date</b>	<b>Balance Remaining</b>
<b>Revenue</b>			
<b>LCFF</b>			
Subtotal LCFF	10,611,353	5,880,838	4,730,515
<b>Federal</b>			
Title V	185,000	-	185,000
<b>Total Federal Revenues</b>	<b>780,036</b>	<b>332,998</b>	<b>447,037</b>
<b>State</b>			
Total State Revenue	435,432	193,517	241,915
<b>Local</b>			
Total Local Revenue	1,219,549	544,775	674,774
<b>Total Revenue</b>	<b>13,046,369</b>	<b>6,952,128</b>	<b>6,094,241</b>
<b>Expenses</b>			
<b>Certificated Salaries</b>			
1000 Subtotal	5,984,182	2,740,769	3,243,412
<b>Classified Salaries</b>			
2000 Subtotal	1,672,045	896,880	775,164
<b>Employee Benefits</b>			
3000 Subtotal	1,598,398	923,263	675,135
<b>Total Personnel Expenses</b>	<b>9,254,624</b>	<b>4,560,912</b>	<b>4,693,712</b>
<b>Books and Supplies</b>			
4000 Subtotal	1,291,953	1,070,401	221,551
<b>Services &amp; Other Operating Expenses</b>			
5000 Subtotal	2,076,718	1,202,450	874,268
<b>Capital Outlay</b>			
6000 Subtotal	-		
<b>Other Outgoing</b>			
7000 Subtotal	318,341	658	317,683
<b>Total Non-Personnel Expenses</b>	<b>3,687,011</b>	<b>2,273,510</b>	<b>1,413,501</b>
<b>Total Expenses</b>	<b>12,941,635</b>	<b>6,834,422</b>	<b>6,107,213</b>
Operating Surplus/(Deficit)	104,735	117,706	
<b>Beginning Fund Balance/Audit Report</b>			
Unrestricted	<b>1,733,233</b>		
<b>Total Beginning Balance</b>	<b>2,114,902</b>		



- ✚ **Dr. Brann** requests an email from **Ms. Levenson** with lottery dates for all Da Vinci Schools.
- ✚ **Dr. Brann** requests to see Da Vinci's credit card policy if there is one in place.
- ✚ With regard to The White House's recent announcement aimed at free community college for responsible students, **Dr. Brann** requests a discussion item (at the appropriate time) for national and State level efforts on the topic and how it will impact Da Vinci's Post Grad 12 program.

#### Closed Session

Meeting entered into Closed Session at **6:55 P.M.**

#### Adjournment

Meeting reconvened from Closed Session and was adjourned at **8:00 P.M.**

✚ **Denotes Action Item**