



**AUDIT REPORT
FOR THE YEAR ENDED
JUNE 30, 2024**

**A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING CALIFORNIA PUBLIC CHARTER SCHOOLS**

Da Vinci Design (Charter No. 1081)
Da Vinci Science (Charter No. 1060)
Da Vinci Connect (Charter No. 1597)
Da Vinci Communications (Charter No. 1689)

FINANCIAL SECTION

Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

SUPPLEMENTARY INFORMATION

Statement of Financial Position by Charter	18
Statement of Activities by Charter	19
Schedule of Expenditures of Federal Awards	20
Schedule of Average Daily Attendance	21
Schedule of Instructional Time	22
Reconciliation of Financial Report – Alternative Form with Audited Financial Statements	23

OTHER INFORMATION

Local Education Agency Organization Structure	24
---	----

OTHER INDEPENDENT AUDITORS' REPORTS

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>	25
Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	27
Report on State Compliance and on Internal Control Over Compliance for State Programs	30

FINDINGS AND QUESTIONED COSTS SECTION

Schedule of Findings and Questioned Costs	33
---	----

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Da Vinci Schools
El Segundo, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Da Vinci Schools which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Da Vinci Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Da Vinci Schools internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Da Vinci Schools ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 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 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 financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024 on our consideration of Da Vinci Schools 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 Da Vinci Schools' 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 Da Vinci Schools internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
December 9, 2024

DA VINCI SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 12,826,462
Investments	118,442
Accounts receivable	6,481,826
Due from affiliate	568,052
Prepaid expenses	383,581
Total current assets	<u>20,378,363</u>

Noncurrent assets

Right-of-use asset	2,291,478
Deposits	75,051
Capital assets, net	5,548,720
Total noncurrent assets	<u>7,915,249</u>

Total Assets	\$ 28,293,612
---------------------	----------------------

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 3,560,817
Operating lease liability	2,280,522
Deferred revenue	2,972,733
Total liabilities	<u>8,814,072</u>

Net assets

Without donor restrictions	18,555,482
With donor restrictions	924,058
Total net assets	<u>19,479,540</u>
Total Liabilities and Net Assets	\$ 28,293,612

The notes to the financial statements are an integral part of this statement.

DA VINCI SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Federal and state support and revenues			
Local control funding formula, state aid	\$ 22,065,044	\$ -	\$ 22,065,044
Federal revenues	1,557,030	44,206	1,601,236
Other state revenues	10,067,417	-	10,067,417
Total federal and state support and revenues	33,689,491	44,206	33,733,697
Local support and revenues			
Payments in lieu of property taxes	8,524,702	-	8,524,702
Grants and donations	924,898	20,000	944,898
Charter management fees	308,769	-	308,769
Investment income, net	572,002	-	572,002
Other local revenues	763,902	-	763,902
Total local support and revenues	11,094,273	20,000	11,114,273
Donor restrictions satisfied	533,715	(533,715)	-
Total Support and Revenues	45,317,479	(469,509)	44,847,970
EXPENSES			
Program services			
Charter school operations	40,016,772	-	40,016,772
Supporting services			
Management and general	4,334,828	-	4,334,828
Total Expenses	44,351,600	-	44,351,600
CHANGE IN NET ASSETS	965,879	(469,509)	496,370
Net Assets - Beginning	17,589,603	1,393,567	18,983,170
Net Assets - Ending	\$ 18,555,482	\$ 924,058	\$ 19,479,540

The notes to the financial statements are an integral part of this statement.

DA VINCI SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services	
	Charter School Operations	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	\$ 15,602,513	\$ 1,045,595	\$ 16,648,108
Non-certificated salaries	5,122,418	1,242,587	6,365,005
Pension plan contributions	4,297,084	233,597	4,530,681
Payroll taxes	655,354	291,657	947,011
Other employee benefits	2,194,412	141,738	2,336,150
Total personnel expenses	27,871,781	2,955,174	30,826,955
Non-personnel expenses			
Books and supplies	2,987,910	97,898	3,085,808
Insurance	460,559	49,011	509,570
Facilities	2,345,338	283,914	2,629,252
Professional services	5,104,843	816,415	5,921,258
Interest expense	823	388	1,211
Depreciation	543,507	57,766	601,273
Authorizer oversight fees	285,044	18,532	303,576
Other operating expenses	416,967	55,730	472,697
Total non-personnel expenses	12,144,991	1,379,654	13,524,645
Total Expenses	\$ 40,016,772	\$ 4,334,828	\$ 44,351,600

The notes to the financial statements are an integral part of this statement.

DA VINCI SCHOOLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 496,370
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	601,273
Unrealized gain on investments	(28,199)
Lease expense - amortization of right-of-use asset	14,916
(Increase) decrease in operating assets	
Accounts receivable	1,955,838
Due from affiliate	(243,193)
Prepaid expenses	67,054
Increase (decrease) in operating liabilities	
Accounts payable	1,126,424
Deferred revenue	<u>(2,360,342)</u>
Net cash provided by (used in) operating activities	<u>1,630,141</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(90,243)
Purchase of capital assets	<u>(2,137,673)</u>
Net cash provided by (used in) investing activities	<u>(2,227,916)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (597,775)

Cash and cash equivalents - Beginning 13,424,237

Cash and cash equivalents - Ending **\$ 12,826,462**

SUPPLEMENTAL DISCLOSURE

Cash paid for interest	<u>\$ 1,211</u>
------------------------	------------------------

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Da Vinci Schools (the “Organization”), located in Los Angeles County, was formed as a nonprofit public benefit corporation in the State of California on September 10, 2008, under the name Wiseburn 21st Century Charter Schools. In March 2013, the Organization changed its name and began operating as Da Vinci Schools. The main purpose of the Organization is to manage public charter schools: Da Vinci Design, Da Vinci Science, Da Vinci Connect, and Da Vinci Communications; known collectively as the Da Vinci Schools or the “Charters”.

Da Vinci Science (formally called STEM Project Center) was numbered by the State Board of Education on January 8, 2009, under California Charter No. 1060. Da Vinci Design was numbered on May 7, 2009, under California Charter No. 1081. Classes began in August 2009 for Da Vinci Science and Da Vinci Design. Da Vinci Connect, (formally Da Vinci Innovation Academy), began its first year of operation in 2013-14 after being numbered on September 4, 2013, under California Charter No. 1597. In 2014-15, Da Vinci Communications began operations following its numbering on September 3, 2014, as California Charter No. 1689.

Wiseburn Unified School District (the “authorizing agency” or the “District”) is the authorizing agency for all four (4) active charter schools operated by the Organization. The Charters are authorized to instruct grades K-12. Da Vinci Science, Da Vinci Design, and Da Vinci Communications currently serve students in grades 9-12 and Da Vinci Connect offers nonclassroom-based instruction to grades K-12. Current charter petitions held with the District for each of the charter schools cover a five-year term ending June 30, 2023. Due to legislative changes post-COVID, the current charter petition end date for each charter school is extended to June 30, 2026. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

The mission of Da Vinci Schools is to provide students with rigorous and relevant academic and workplace skills, preparing its graduates for rewarding lives in our increasingly technological society. The specific goals of the Charters are to successfully integrate technical and academic education into a school that prepares students for post-secondary education and for leadership in the high technology industry; to increase the number of underrepresented students in math and engineering who succeed in high school and post-secondary education and who become productive members and leaders in the South Bay and Los Angeles area high technology industry; and to provide all of the Charters’ students with an extraordinary education that prepares them to be thoughtful, engaging citizens in our increasingly technological society.

B. Basis of Accounting

The Organization’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

C. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective July 1, 2018. Under the Guide, Da Vinci Schools is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Financial Statement Presentation (continued)

Net assets with donor restrictions – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As part of its operation of public charter schools, the Organization also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is only used to the extent that internal accounting for multiple charter school or other program operations is necessary and is not used for external financial statement presentation.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

E. Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management's estimates.

F. Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

G. Cash and Cash Equivalents

Da Vinci Schools considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Investments

The Organization's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

I. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2024, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

J. Capital Assets

Da Vinci Schools has adopted a policy to capitalize asset purchases over \$5,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

K. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

L. In Lieu of Property Tax Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to Da Vinci Schools. Revenues are recognized by the Organization when earned.

M. Income Taxes

Da Vinci Schools is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a charitable corporation organized and operated primarily as an educational institution, the Organization is not required to register with the California Attorney General as a charity.

The Organization's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Organization's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

O. Lease Arrangements

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee's right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2024, consists of cash in banks of \$12,826,462 held in interest-bearing accounts. As of June 30, 2024, \$12,584,407 the Organization's bank balance was held in an Insured Cash Sweep (ICS) account to mitigate any impact of custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. The FDIC insures up to \$250,000 per depositor per insured bank.

NOTE 3 – INVESTMENTS

The following table provides a description and sets forth, by level within the fair value hierarchy explained in Note 1N, the Charter's investments as of June 30, 2024. Investments as of June 30, 2024 are presented on the statement of financial position at the market value noted below.

	Market Value	Fair Value Classification		
		Level 1	Level 2	Level 3
Equity securities	\$ 118,442	\$ 118,442	\$ -	\$ -
Total Investments	\$ 118,442	\$ 118,442	\$ -	\$ -

DA VINCI SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 3 – INVESTMENTS (continued)

Additionally, investment return for the year ended June 30, 2024, was as follows:

Interest and dividends	\$	543,803
Unrealized gain/(loss)		28,199
Net Investment Income	\$	572,002

NOTE 4 – RECEIVABLES

Accounts Receivable

Accounts receivable as of June 30, 2024, consists of the following:

Local control funding sources, state aid	\$	2,370,672
Federal sources		857,754
Other state sources		924,159
In lieu property tax payments		1,022,172
Other local sources		1,307,071
Total Accounts Receivable	\$	6,481,828

Due from Affiliate

Amounts due from affiliate as of June 30, 2024, consists of \$568,052 due from Da Vinci Schools: LA County. Refer to Note 11 for additional information about related party transactions.

NOTE 5 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2024 consists of the following:

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Property and equipment				
Buildings improvements	\$ 3,148,603	\$ 296,782	\$ -	\$ 3,445,385
Furniture and equipment	1,898,440	1,770,556	73,094	3,595,902
Construction in progress	263,533	406,962	263,533	406,962
Total property and equipment	5,310,576	2,474,300	336,627	7,448,249
Less accumulated depreciation	(1,298,256)	(601,273)	-	(1,899,529)
Capital Assets, net	\$ 4,012,320	\$ 1,873,027	\$ 336,627	\$ 5,548,720

DA VINCI SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2024, consists of the following:

Vendor payables	\$ 2,095,378
Due to authorizing agency	843,781
Compensated absences	291,600
Salaries and benefits	172,684
Due to grantor government	157,374
Total Accounts Payable	\$ 3,560,817

NOTE 7 – DEFERRED REVENUE

Deferred revenue as of June 30, 2024, consists of the following:

Federal sources	\$ 1,673
State sources	2,813,030
Local sources	158,030
Total Deferred Revenue	\$ 2,972,733

NOTE 8 – OPERATING LEASE

On July 1, 2022, the Organization entered into a lease agreement to occupy space located at 550 Continental Blvd in El Segundo, California. The facility is utilized for instructional services in order to meet the goals established by Da Vinci Connect. The lease called for a security deposit of \$75,051, which has been recorded as a noncurrent asset on the statement of financial position. The lease agreement covers a term beginning July 1, 2022 through November 30, 2026. During the fiscal year ended June 30, 2024, the Charter paid \$864,187 in lease payments under this operating lease. At June 30, 2024, the right-of-use asset was \$2,219,644 and the operating lease liability was \$2,280,522.

The following table shows the present value of the operating lease liability as the actual lease payments less the implied discount rate and the right-of-use asset as the lease expense over the straight-line basis reduced by the implied discount rate. The Organization has accounted for its lease agreements using an implied discount rate of 4%. The associated asset and liability are amortized over the remaining term of the lease as follows:

Fiscal Year Ending June 30,	(a) Lease Expense	(b) Lease Payments	(c) Discount (4%)	(b) - (c) Operating Lease Liability	(a) - (c) Right-of-Use Asset
2025	\$ 939,668	\$ 946,291	\$ 72,432	\$ 873,859	\$ 867,236
2026	932,129	965,357	36,421	928,936	895,708
2027	422,549	444,807	5,285	439,522	417,264
2028	39,921	38,675	470	38,205	39,451
Prepaid Rent	-	-	-	-	71,819
Total	\$ 2,334,267	\$ 2,395,130	\$ 114,608	\$ 2,280,522	\$ 2,291,478

DA VINCI SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 9 – NET ASSETS

Net Assets with Donor Restrictions

As of June 30, 2024, the Organization's net assets with donor restrictions consist of the following:

Career Tech Education Facilities Program (CTEFP)	\$	682,529
Northrup Grumman grants		131,674
Chevron chromebooks		25,000
Supply chain assistance		80,644
Garden grant		4,211
Total Net Assets with Donor Restrictions	\$	924,058

Net Assets without Donor Restrictions

Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Organization. At June 30, 2024, the Organization's net assets without donor restrictions consist of the following:

Net investment in capital assets	\$	5,548,720
Board designations		
Deferred maintenance		187,942
Career tech education studio		1,170,416
Tax credit contingency		3,845,481
Economic uncertainty		7,559,971
Total board designations		12,763,810
Undesignated		242,939
Total Net Assets without Donor Restrictions	\$	18,555,469

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

Financial Assets		
Cash and cash equivalents	\$	12,826,462
Investments, at cost		118,442
Accounts receivable		6,481,826
Prepaid expenses		383,581
Total Financial Assets, excluding noncurrent	\$	19,810,311
Contractual or donor-imposed restrictions		
Cash restricted by others for specific uses		(3,896,791)
Board designations		
Deferred maintenance		(187,942)
Career tech education studio		(1,170,416)
Tax credit contingency		(3,845,481)
Economic uncertainty		(7,559,971)
Financial Assets available to meet cash needs for expenditures within one year	\$	3,149,710

NOTE 11 – RELATED PARTY TRANSACTIONS

Inter-Agency Activity

Receivables and payables due between the separate operating units of the Organization are classified as due to/due from related entities within the Statement of Financial Position by Charter. Intercompany transactions and balances are eliminated in the financial statements by charter to better reflect the true activities of Da Vinci Schools as a whole.

Affiliate Organizations

Supporting Organization

In January 2018, management and the Organization's board of trustees elected to establish the Da Vinci Schools Fund (the "Fund"). The Fund was incorporated as a domestic nonprofit for the purpose of providing assistance and support to Da Vinci Schools and its affiliated institutions and organizations. The Fund is governed by a separate governing board independent of the Organization. During the year ended June 30, 2024, there were no transactions between the Fund and the Organization.

Da Vinci Schools: LA County

In August 2018, management of the Organization established Da Vinci Schools: L.A. County for the purposes of operating a new public charter school, Da Vinci Rise High (Charter No. 2017) authorized by the Los Angeles County Office of Education. The school serves the same student population that was previously enrolled in RISE High, a prior LLC established by the Organization that has since dissolved. The affiliate organization is governed by a separate board of directors independent of the Organization's board, except for one common board member.

The affiliate and the Organization hold a memorandum of understanding for shared personnel, including management. During the fiscal year ended June 30, 2024, the Organization earned \$308,769 in management fee revenue for providing financial and administrative support to this affiliate. At June 30, 2024, Da Vinci Schools: LA County owed \$568,052 to the Organization for personnel costs as well as other costs paid by Da Vinci Schools on behalf of the affiliate organization. This amount is within due to affiliate on the statement of financial position and disclosed in Note 4.

NOTE 12 – DONATED GOODS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Da Vinci Schools in an effort to advance the Charters' programs and objectives. These services have not been recorded in the Organization's financial statements because they do not meet the criteria required by generally accepted accounting principles. During the fiscal year ending June 30, 2024, the Organization did not receive any donated items.

NOTE 13 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code* 47605, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Charters have made such election for its certificated personnel. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Organization also offers social security as an alternative plan to all employees who may not qualify for CalSTRS retirement plan.

NOTE 13 – EMPLOYEE RETIREMENT PLANS (continued)

California State Teachers' Retirement System (CalSTRS)

Plan Description

Da Vinci Schools contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard; Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 10.25% or 10.205% of their 2023-24 salary depending on the employee's membership date in the plan. The required employer contribution rate for fiscal year 2023-24 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions to CalSTRS for the last three fiscal years were as follows:

	Contribution	Percent of Required Contribution
2023-24	\$ 2,924,425	100%
2022-23	\$ 2,898,983	100%
2021-22	\$ 2,121,269	100%

On-Behalf Payments

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on-behalf of all school agencies in California. The amount of on-behalf payments made for Da Vinci Schools is estimated at \$1,606,256. The on-behalf payment amount is computed as the proportionate share of total 2022-23 State on-behalf contributions.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, the schools operated by Da Vinci Schools are approved to operate as a public charter schools through authorization by the Wiseburn Unified School District. As such, the Organization's charter schools are subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

On July 9, 2021, the Governor of California approved Assembly Bill 130 (AB 130). Effective July 1, 2021, AB 130 added a provision within the California Education Code (EC) whereby all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years. As a result, the term expiration date for all of the charter petitions was extended to June 30, 2025. Additionally, on July 10, 2023, the Governor of California approved Senate Bill 114 (SB 114), which amended EC 47607.4. The EC was amended to add "all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year." As a result, the charter petition end date is extended to June 30, 2026.

The Organization made payments to the authorizing agency to provide required services for oversight. Fees associated with oversight consist of one percent of revenue from local control funding formula sources. The Organization also holds a facility use agreement with the District. Total fees for oversight and facility usage amounted to \$303,576 for the fiscal year ending June 30, 2024.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (continued)

Charter School Authorization (continued)

The Organization has full and exclusive use of the District-owned facility located at 12501 Isis Avenue in Hawthorne, California, for operation of the Da Vinci Connect charter school. The facility is utilized by Da Vinci Connect for instructional services in order to meet the educational goals established by the Organization.

Governmental Funds

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

Multiemployer Defined Benefit Plan Participation

Under current law on multiemployer defined benefit plans, the Charters' voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Charters to make payments to the plan, which would approximate the Charters' proportionate share of the multiemployer plan's unfunded vested liabilities. CalSTRS has estimated that the Charters' share of withdrawal liability is approximately \$20,959,180 as of June 30, 2023. The Charters do not currently intend to withdraw from CalSTRS. Refer to Note 13 for additional information on employee retirement plans.

Joint Powers Agency (JPA)

During the year ended June 30, 2024, Da Vinci Schools participated in a joint venture with the CharterSafe. CharterSafe arranges for insurance coverage related to property, general liability, automobile, worker's compensation, and other miscellaneous liability coverage specific to operation of a charter school. The relationship between the Organization and the JPA is such that the JPA is not financially inter-related to the Organization for financial reporting purposes. There were no significant outstanding insurance claims during the fiscal year.

Pending or Threatened Litigation

The Organization is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Organization as of June 30, 2024.

NOTE 15 – SUBSEQUENT EVENTS

Da Vinci Schools has evaluated subsequent events for the period from June 30, 2024 through December 9, 2024 the date the financial statements were available to be issued. On November 21, 2024, the Wiseburn Unified School District approved charter petitions renewal for Da Vinci Science, Da Vinci Connect, Da Vinci Communication and Da Vinci Design were renewed for a five-year period from July 1, 2026 through June 30, 2031. Management did not identify any other transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

DA VINCI SCHOOLS
STATEMENT OF FINANCIAL POSITION BY CHARTER
JUNE 30, 2024

Charter No.	1081	1060	1597	1689	Charter Mgmt & Other Programs	Eliminations	Total
	Da Vinci Design	Da Vinci Science	Da Vinci Connect	Da Vinci Communications			
ASSETS							
Current assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 12,826,462	\$ -	\$ 12,826,462
Investments	-	-	-	-	118,442	-	118,442
Accounts receivable	1,387,610	1,550,337	1,783,243	1,218,599	542,037	-	6,481,826
Intercompany receivable	5,820,689	4,278,726	534,279	987,990	71,819	(11,125,451)	568,052
Prepaid expenses	80,918	75,381	100,141	75,742	51,399	-	383,581
Total current assets	7,289,217	5,904,444	2,417,663	2,282,331	13,610,159	(11,125,451)	20,378,363
Noncurrent assets							
Right-of-use asset	63,053	60,934	2,105,792	25,247	36,452	-	2,291,478
Deposits	-	-	75,051	-	-	-	75,051
Capital assets, net	1,302,206	1,021,515	1,816,489	1,012,984	395,526	-	5,548,720
Total noncurrent assets	1,365,259	1,082,449	3,997,332	1,038,231	431,978	-	7,915,249
Total Assets	\$ 8,654,476	\$ 6,986,893	\$ 6,414,995	\$ 3,320,562	\$ 14,042,137	\$ (11,125,451)	\$ 28,293,612
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable	\$ 526,199	\$ 69,788	\$ 36,046	\$ 11,606	\$ 2,917,178	\$ -	\$ 3,560,817
Operating lease liability	63,053	60,934	2,094,515	25,568	36,452	-	2,280,522
Intercompany payable	-	-	71,819	-	11,053,632	(11,125,451)	-
Deferred revenue	443,572	806,921	889,224	798,141	34,875	-	2,972,733
Total liabilities	1,032,824	937,643	3,091,604	835,315	14,042,137	(11,125,451)	8,814,072
Net assets							
Without donor restrictions	7,601,262	5,414,549	3,288,797	2,250,874	-	-	18,555,482
With donor restrictions	20,390	634,701	34,594	234,373	-	-	924,058
Total net assets	7,621,652	6,049,250	3,323,391	2,485,247	-	-	19,479,540
Total Liabilities and Net Assets	\$ 8,654,476	\$ 6,986,893	\$ 6,414,995	\$ 3,320,562	\$ 14,042,137	\$ (11,125,451)	\$ 28,293,612

DA VINCI SCHOOLS
STATEMENT OF ACTIVITIES BY CHARTER
JUNE 30, 2024

Charter No.	1081	1060	1597	1689	Charter Mgmt & Other Programs	Eliminations	Total
	Da Vinci Design	Da Vinci Science	Da Vinci Connect	Da Vinci Communications			
SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS							
Federal and state support and revenues							
Local control funding formula, state aid	\$ 4,853,186	\$ 4,925,577	\$ 7,377,644	\$ 4,908,637	\$ -	\$ -	\$ 22,065,044
Federal revenues	443,001	358,060	373,343	382,626	-	-	1,557,030
Other state revenues	2,764,916	2,796,285	2,078,189	2,282,880	145,147	-	10,067,417
Total federal and state support and revenues	8,061,103	8,079,922	9,829,176	7,574,143	145,147	-	33,689,491
Local support and revenues							
Payments in lieu of property taxes	1,767,121	1,874,361	3,085,745	1,797,475	-	-	8,524,702
Grants and donations	271,503	277,167	38,216	214,041	123,971	-	924,898
Charter management fees	-	-	-	-	6,075,036	(5,766,267)	308,769
Investment income, net	135,746	135,745	135,748	135,745	29,018	-	572,002
Other local revenues	204,395	130,002	61,739	170,351	197,415	-	763,902
Total local support and revenues	2,378,765	2,417,275	3,321,448	2,317,612	6,425,440	(5,766,267)	11,094,273
Donor restrictions satisfied	113,376	231,865	6,438	95,233	86,803	-	533,715
Total Support and Revenues	10,553,244	10,729,062	13,157,062	9,986,988	6,657,390	(5,766,267)	45,317,479
EXPENSES							
Program services							
Charter school operations	9,814,356	9,551,188	11,830,108	10,077,230	4,510,157	(5,766,267)	40,016,772
Supporting services							
Management and general	620,452	532,654	604,625	516,667	2,060,430	-	4,334,828
Total Expenses	10,434,808	10,083,842	12,434,733	10,593,897	6,570,587	(5,766,267)	44,351,600
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	118,436	645,220	722,329	(606,909)	86,803	-	965,879
SUPPORT AND REVENUES WITH DONOR RESTRICTIONS							
Federal revenues	\$ 10,038	\$ 21,928	\$ -	\$ 12,240	\$ -	\$ -	\$ 44,206
Grants and donations	-	10,000	-	10,000	-	-	20,000
Donor restrictions satisfied	(113,376)	(231,865)	(6,438)	(95,233)	(86,803)	-	(533,715)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(103,338)	(199,937)	(6,438)	(72,993)	(86,803)	-	(469,509)
CHANGE IN NET ASSETS	15,098	445,283	715,891	(679,902)	-	-	496,370
Net Assets - Beginning	7,606,554	5,603,967	2,607,500	3,165,149	-	-	18,983,170
Net Assets - Ending	\$ 7,621,652	\$ 6,049,250	\$ 3,323,391	\$ 2,485,247	\$ -	\$ -	\$ 19,479,540

DA VINCI SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. 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 this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The Organization has not elected to use the 10 percent de minimis indirect cost rate.

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 328,198
Title II, Part A, Administrator Training	84.367	14344	59,970
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	40,000
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	19,132
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	346,005
Subtotal Education Stabilization Fund Discretionary Grants			<u>365,137</u>
<i>Passed through El Dorado Charter SELPA:</i>			
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	393,863
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	29,296
Subtotal Special Education Cluster			<u>423,159</u>
Total U. S. Department of Education			<u>1,216,464</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	9,456
National School Lunch Program	10.555	13391	221,192
Supply Chain Assistance (SCA) Funds	10.555	15655	154,124
Subtotal Child Nutrition Cluster			<u>384,772</u>
Total U. S. Department of Agriculture			<u>384,772</u>
Total Federal Expenditures			<u>\$ 1,601,236</u>

DA VINCI SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024

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

	Second Period Report	Annual Report
Da Vinci Design (Charter No. 1081)		
	Classroom-Based	
Grade Span		
Regular		
Ninth through twelfth	484.70	482.60
Special Education		
Ninth through twelfth	1.97	1.59
Total Average Daily Attendance - Classroom-Based	486.67	484.19
Da Vinci Science (Charter No. 1060)		
	Classroom-Based	
Grade Span		
Regular		
Ninth through twelfth	515.69	514.67
Special Education		
Ninth through twelfth	0.73	0.26
Total Average Daily Attendance - Classroom-Based	516.42	514.93
Da Vinci Communications (Charter No. 1689)		
	Classroom-Based	
Grade Span		
Regular		
Ninth through twelfth	492.43	491.30
Special Education		
Ninth through twelfth	2.87	1.95
Total Average Daily Attendance - Classroom-Based	495.30	493.25
Da Vinci Connect (Charter No. 1597)		
	Nonclassroom-Based	
Grade Span		
Kindergarten* through third	201.58	203.61
Fourth through sixth	160.12	161.42
Seventh through eighth	128.40	128.63
Ninth through twelfth	361.58	361.49
Total Average Daily Attendance - Nonclassroom-Based	851.68	855.15

*Includes Transitional Kindergarten (TK)

Da Vinci Connect had no Classroom-Based ADA in 2023-24.
Da Vinci Design, Da Vinci Science and Da Vinci Communications had no
Nonclassroom-Based ADA in 2023-24.

DA VINCI SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024

This schedule presents information on the amount of instructional time or days offered per grade level by the charter schools and whether the charter school complied with the provisions of *Education Code Section 47612.5*. Da Vinci Connect only provided nonclassroom-based instruction; therefore, no annual instructional minutes by grade level are presented below.

Charter School / Grade Span	Minutes Requirement	2023-24 Instructional Minutes	2023-24 Number of Days	Status
Da Vinci Design (Charter No. 1081)				
Grade 9	64,800	64,850	175	Complied
Grade 10	64,800	64,850	175	Complied
Grade 11	64,800	64,850	175	Complied
Grade 12	64,800	64,850	175	Complied
Da Vinci Science (Charter No. 1060)				
Grade 9	64,800	64,850	175	Complied
Grade 10	64,800	64,850	175	Complied
Grade 11	64,800	64,850	175	Complied
Grade 12	64,800	64,850	175	Complied
Da Vinci Communications (Charter No. 1689)				
Grade 9	64,800	64,850	175	Complied
Grade 10	64,800	64,850	175	Complied
Grade 11	64,800	64,850	175	Complied
Grade 12	64,800	64,850	175	Complied
Da Vinci Connect (Charter No. 1597)				
Kindergarten*			175	Complied
Grade 1			175	Complied
Grade 2			175	Complied
Grade 3			175	Complied
Grade 4			175	Complied
Grade 5			175	Complied
Grade 6			175	Complied
Grade 7			175	Complied
Grade 8			175	Complied
Grade 9			175	Complied
Grade 10			175	Complied
Grade 11			175	Complied
Grade 12			175	Complied

*Includes Transitional Kindergarten (TK)

DA VINCI SCHOOLS
RECONCILIATION OF FINANCIAL REPORT – ALTERNATIVE FORM WITH AUDITED FINANCIAL
STATEMENTS
JUNE 30, 2024

This schedule provides the information necessary to reconcile fund balance/net position reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets on the audited financial statements.

	Charter No.	<u>1081</u>
		<u>Da Vinci</u>
		<u>Design</u>
June 30, 2024, fund balance/net position on the Financial Report - Alternative Form (Charter School Unaudited Actuals)		<u>\$ 7,423,348</u>
Adjustments:		
Increase (decrease) in total net assets:		
Adjust Strong Workforce Espresso grant state revenue		<u>198,304</u>
June 30, 2024, net assets per audited financial statements		<u>\$ 7,621,652</u>

There were no adjustments to reconcile fund balance/net position reported on the Financial Report - Alternative Form (Charter School Unaudited Actuals) to net assets per the audited financial statements as of June 30, 2024 for the following charter schools:

Da Vinci Science (Charter No. 1060)
Da Vinci Connect (Charter No. 1597)
Da Vinci Communications (Charter No. 1689)

OTHER INFORMATION

DA VINCI SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
FOR THE YEAR ENDED JUNE 30, 2024

This schedule provides information about the local education agency (LEA or charter school), including the charters' authorizing agency, grades served, members of the governing body, and members of the administration.

During 2023-24, Da Vinci Schools, a California non-profit public benefit corporation, operated four (4) public charter schools (the "Charters"). The Charters are located in Los Angeles County and are all sponsored by the Wiseburn Unified School District, the authorizing agency. Information on each of the Charters is as follows:

Charter School	Classes Began	Grades Served	Charter Number
Da Vinci Design	8/18/2009	9 - 12	1081
Da Vinci Science	8/17/2009	9 - 12	1060
Da Vinci Connect	8/19/2013	K - 12	1597
Da Vinci Communications	8/12/2014	9 - 12	1689

The Charters are governed by the following Board of Trustees of the Organization and managed by the following administration as of June 30, 2024:

BOARD OF TRUSTEES

Name	Office	Term Expiration
Dr. Jo Webber	President	July 16, 2027
Mr. Raynaldo Santiago	Vice President	February 1, 2027
Mr. Brian Meath	Treasurer	June 24, 2025
Mr. Raul Ochoa	Secretary	January 23, 2027
Mr. Derrick Boston	Trustee	September 9, 2026
Ms. Leslie Heimov	Trustee	June 30, 2025

ADMINISTRATION

Dr. Matthew Wunder <i>Chief Executive Officer</i>		
Mr. Vicente Bravo <i>Chief Administrative Officer</i>	Mrs. Veronica Rodriguez <i>Chief Operating Officer</i>	Mr. Michael Amato, CPA <i>Chief Financial Officer</i>

OTHER INDEPENDENT AUDITORS' REPORTS

**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**Independent Auditors' Report

To the Board of Directors of
Da Vinci Schools
El Segundo, California

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, 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated DATE.

Report on 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") as a basis for designing audit 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 misstatements 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 internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

Purpose of this Report

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

Christy White, Inc.

San Diego, California
December 9, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

To the Board of Directors of
Da Vinci Schools
El Segundo, California

Report on Compliance for Each Major Federal Program**Opinion on Each Major Federal Program**

We have audited Da Vinci Schools compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Da Vinci Schools major federal programs for the year ended June 30, 2024. Da Vinci Schools major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Da Vinci Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Da Vinci Schools 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 Da Vinci Schools federal programs.

Auditor's 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 Da Vinci Schools 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists.

Auditor's Responsibilities for the Audit of Compliance (continued)

The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Da Vinci Schools compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 Da Vinci Schools compliance with the compliance requirements referred to above and performing such procedures as we consider necessary in the circumstances.
- Obtain an understanding of Da Vinci Schools 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Da Vinci Schools internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

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

Report on Internal Control Over Compliance (continued)

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.

Christy White, Inc.

San Diego, California
December 9, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

To the Board of Directors of
Da Vinci Schools
El Segundo, California

Report on State Compliance**Opinion on State Compliance**

We have audited Da Vinci Schools's compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Da Vinci Schools's state program-requirements for the fiscal year ended June 30, 2024. Reference to Da Vinci Schools within this letter is inclusive of the following charter schools: Da Vinci Design (No. 1081), Da Vinci Science (No. 1060), Da Vinci Connect (No. 1597), and Da Vinci Communications (No. 1689).

In our opinion, Da Vinci Schools complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2024, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

In our opinion, Da Vinci Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the applicable state programs for the year ended June 30, 2024.

Basis for Opinion on State Compliance

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Da Vinci Schools and to meet certain ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance. Our audit does not provide a legal determination of Da Vinci Schools 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 internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Da Vinci Schools state programs. Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Da Vinci Schools compliance based on our audit.

Auditor's Responsibilities for the Audit for State Compliance

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 generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Da Vinci Schools compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, 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 Da Vinci Schools compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Da Vinci Schools 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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Da Vinci Schools internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine Da Vinci Schools compliance with the state laws and regulations to the following items:

Description	California Public Charter School			
	No. 1060 Da Vinci Design	No. 1081 Da Vinci Science	No. 1689 Da Vinci Communications	No. 1597 Da Vinci Connect
Procedures Performed				
School Districts, County Offices of Education and Charter Schools				
Proposition 28 Arts and Music in Schools	Yes	Yes	Yes	Yes
After/Before School Education and Safety Program	Not applicable	Not applicable	Not applicable	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes	Yes	Yes	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes	Yes	Yes	Yes
Local Control and Accountability Plan	Yes	Yes	Yes	Yes
Independent Study-Course Based	Not applicable	Not applicable	Not applicable	Not applicable
Immunizations	Yes	Yes	Yes	Yes
Educator Effectiveness	Yes	Yes	Yes	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes	Yes	Yes	Yes
Career Technical Education Incentive Grant	Yes	Not applicable	Yes	Not applicable
Expanded Learning Opportunities Program	Not applicable	Not applicable	Not applicable	Not applicable
Transitional Kindergarten	Not applicable	Not applicable	Not applicable	Yes
Charter Schools				
Attendance	Yes	Yes	Yes	Yes
Mode of Instruction	Yes	Yes	Yes	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable	Not applicable	Not applicable	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not applicable	Not applicable	Not applicable	Yes
Annual Instructional Minutes – Classroom Based	Yes	Yes	Yes	Not applicable
Charter School Facility Grant Program	Not applicable	Not applicable	Not applicable	Not applicable

“Not applicable” is used in the table above to indicate that the charter school either did not receive program funding or did not otherwise operate the program during the fiscal year.

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 or material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 state 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 state 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.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc." in a cursive script.

San Diego, California
December 9, 2024

FINDINGS AND QUESTIONED COSTS SECTION

DA VINCI SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	
<u>AL Number(s)</u> <u>Name of Federal Program or Cluster</u>	
84.425, 84.425U Education Stabilization Fund Discretionary Grants	
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

State Awards

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2023-24 Guide for Annual Audits of California K-12 Local Education Agencies?</i>	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

DA VINCI SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024

All audit year findings, if any, are assigned an appropriate finding code as follows:

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

PART II – FINANCIAL STATEMENT FINDINGS

There were no audit findings related to the financial statements for the year ended June 30, 2024.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to federal awards for the year ended June 30, 2024.

PART IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2024.

PART V – SUMMARY OF PRIOR AUDIT FINDINGS

This section presents the status of actions taken by the Organization on each of the findings and recommendations reported in the prior year audit; however, there were no audit findings reported in the year ended June 30, 2023.