

Consolidated Financial Statements  
June 30, 2025

Vista Charter Public Schools, Inc.  
Charter No. 1234, 1752, 1930, 1932,  
2043, 2132, and 2152

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## Independent Auditor's Report

Governing Board  
Vista Charter Public Schools, Inc.  
Los Angeles, California

### Report on the Audit of the Consolidated Financial Statements

#### ***Opinion***

We have audited the consolidated financial statements of Vista Charter Public Schools, Inc. (the Organization) (a California Nonprofit Public Benefit Corporation), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vista Charter Public Schools, Inc. as of June 30, 2025, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Organization 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 Consolidated Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 the Organization's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's 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 consolidated financial statements as a whole. The accompanying supplementary information such as the consolidated Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information on pages 30-42 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated Schedule of Expenditures of Federal Awards and other supplementary information are fairly stated in all material respects in relation to the consolidated 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 consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements do 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 consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated 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 12, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Silva + Silva CPAs".

Brea, California  
December 12, 2025

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 14,891,427
Investments	5,634,747
Receivables	7,802,454
Prepaid expenses	540,001
Total Current Assets	<u>28,868,629</u>

Non-Current Assets

Restricted cash	7,584
Restricted investments	2,751,389
Investments	1,298,979
Security deposits	3,447,419
Property and equipment	47,522,508
Less: accumulated depreciation	<u>(2,217,910)</u>
Total Non-Current Assets	<u>52,809,969</u>
Total Assets	<u><u>\$ 81,678,598</u></u>

**LIABILITIES**

Current Liabilities

Payables	\$ 2,747,204
Interest payable	166,498
Refundable advances	3,364,055
Current portion of bonds payable	700,000
Total Current Liabilities	<u>6,977,757</u>

Long-Term Obligations

Non-current portion of bonds payable	<u>47,458,380</u>
Total Liabilities	<u>54,436,137</u>

**NET ASSETS**

Without Donor Restrictions

Designated	8,185,471
Undesignated	<u>19,056,990</u>
Net Assets	<u>27,242,461</u>
Total Liabilities and Net Assets	<u><u>\$ 81,678,598</u></u>

Vista Charter Public Schools, Inc.  
Consolidated Statement of Activities  
Year Ended June 30, 2025

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**REVENUES**

Local Control Funding Formula	
State apportionment	\$ 18,104,456
In-lieu property taxes	7,287,068
Federal revenue	4,161,035
Other State revenue	9,504,244
Local revenue	994,659
Employee retention credit	793,988
Interest income	586,096
Gain or loss on investments-net	63,785
School Site Fundraising	15,022
Total Revenues	<u>41,510,353</u>

**EXPENSES**

Program Services	25,662,598
Management and General	<u>11,921,934</u>
Total Expenses	<u>37,584,532</u>

**CHANGE IN NET ASSETS** 3,925,821

**NET ASSETS, BEGINNING OF YEAR** 23,316,640

**NET ASSETS, END OF YEAR** \$ 27,242,461



Vista Charter Public Schools, Inc.  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2025

	Program Services	Management and General	Total Expenses
Teacher salaries	\$10,333,610	\$ 2,583,403	\$12,917,013
Teacher benefits	3,366,162	841,541	4,207,703
Teacher payroll tax	183,642	45,910	229,552
Administrative and clerical salaries	2,214,780	553,695	2,768,475
Administrative and clerical benefits	1,080,781	270,195	1,350,976
Administrative and clerical payroll tax	469,466	117,366	586,832
Instructional materials	1,707,794	-	1,707,794
Student nutrition	1,689,846	-	1,689,846
Educational programs	165,702	-	165,702
Operating expenses	2,457,263	614,316	3,071,579
Depreciation	-	121,673	121,673
Occupancy	459,114	114,779	573,893
Capital outlay	-	697,128	697,128
Professional services	1,547,406	386,852	1,934,258
Travel and conference	-	217,307	217,307
Debt service interest expense	-	4,026,539	4,026,539
Amortization of right-of-use asset	-	1,366,430	1,366,430
Insurance	132,082	33,020	165,102
Special education fee	103,748	25,937	129,685
District supervisory fee	243,491	60,873	304,364
After School Program	1,527,387	381,847	1,909,234
Subtotal	27,682,275	12,458,810	40,141,085
Eliminations	(2,019,677)	(536,876)	(2,556,553)
Total Functional Expenses	<u>\$25,662,598</u>	<u>\$11,921,934</u>	<u>\$37,584,532</u>

Vista Charter Public Schools, Inc.  
Consolidated Statement of Cash Flows  
Year Ended June 30, 2025

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 3,925,821
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	121,673
Amortization expense	1,366,430
Changes in operating assets and liabilities	
Decrease in receivables	713,511
Increase in prepaid expenses and other assets	(1,030,200)
Increase in payables	(1,379,562)
Decrease in deferred revenue	(128,563)
Financing lease asset and liability	<u>(2,291,482)</u>
Net Cash Provided by Operating Activities	<u>1,297,628</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditures	(6,224,918)
Change in investment, net	<u>(193,758)</u>
Net Cash Used in Investing Activities	<u>(6,418,676)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Loan and Bond payment	<u>(470,000)</u>
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<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<u>(5,591,048)</u>
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<b>Cash, Cash Equivalents, and Restricted Cash, Beginning of Year</b>	<u>20,490,059</u>
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<b>Cash, Cash Equivalents, and Restricted Cash, End of Year</b>	<u>14,899,011</u>
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<b>Cash and Cash Equivalents</b>	<u>14,891,427</u>
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<b>Restricted Cash for Bond Reserve</b>	<u>7,584</u>
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<b>Cash, Cash Equivalents, and Restricted Cash, End of Year</b>	<u><u>\$ 14,899,011</u></u>
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**Supplemental cash flow disclosure**

Cash paid during the period for interest	<u><u>\$ 4,026,539</u></u>
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**Non Cash Transactions**

On Behalf STRS payments	<u><u>\$ 937,504</u></u>
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## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

#### **Vista Charter Public Schools, Inc.**

Vista Charter Public Schools, Inc. (the Organization) is a nonprofit public benefit corporation located at 2900 W. Temple Street, Los Angeles, CA 90026. Under the Charter Schools Act of 1992, a charter school is authorized to elect to operate as, or be operated by, a nonprofit public benefit corporation. The Organization is organized and operated exclusively for educational and charitable purposes pursuant to and within the meaning of Section 501(c)(3) of the Internal Revenue Code.

The Organization operates six charter schools (the Charter Schools) in Orange and Los Angeles counties serving students in transitional kindergarten through grade twelve. The Charter Schools' mission is to create a transformative TK-12 learning experience that is engaging, globally oriented, and builds a strong STEAM foundation for college and career readiness in a learning environment that allows students to have power in developing their identity within personal, interpersonal, and educational realms. We aim to provide quality education for all students by focusing on both heart and mind as critical tools of student engagement in learning. Our compassionate community of global learners focuses on developing students' knowledge and skills, as well as their attitudes, behaviors, aspirations, and beliefs for success in the 21st-century economy.

#### **Vista Charter Middle School – Charter No. 1234**

Vista Charter Middle School (Vista CMS) was formed as a charter school pursuant to California Education Code Section 47600 under a charter agreement with the Los Angeles Unified School District. The charter agreement was approved by the Los Angeles Unified School District in 2010 and has been renewed for a five-year term expiring in 2025. Vista Charter Middle School is located at 2900 W. Temple St., Los Angeles, California. Vista Charter Middle School opened September 1, 2010, and currently serves approximately 365 students in grades six through eight.

#### **Vista Heritage Global Academy – Charter No. 1752**

Vista Heritage Global Academy (Heritage) was formed as a charter school pursuant to California Education Code Section 47600 under a charter agreement with the Orange County Department of Education. The charter agreement was entered into in July 2015 and renewed for a five-year term beginning in 2020 and expiring in 2025. Vista Heritage Global Academy is located at 2069 W. 5th Street in Santa Ana, California. Vista Heritage Global Academy opened August 24, 2015, and currently serves approximately 360 students in grades sixth through eighth.

**Vista Condor Global Academy – Charter No. 1930**

Vista Condor Global Academy (Condor) was formed as a charter school pursuant to California Education Code Section 47600 under a charter agreement with the Orange County Department of Education. The charter agreement was entered into in April 2018 expiring in 2023. Vista Condor Global Academy is located at 2609 W. 5th Street, Santa Ana, California. Vista Condor Global Academy opened August 13, 2018, and currently serves approximately 340 students in transitional kindergarten through grade five.

**Vista Horizon Global Academy – Charter No. 2043**

Vista Horizon Global Academy (Horizon) was formed as a charter school pursuant to California Education Code Section 47600 and was authorized by the Los Angeles Unified School District at its November 2018 board meeting for a five-year term expiring in 2024. Vista Horizon Global Academy is located at 980 S. Hobart Blvd., Los Angeles, California. Vista Horizon Global Academy opened July 1, 2019, and currently serves approximately 160 students in transitional kindergarten through grade five.

**Palm Lane Global Academy – Charter No. 1932**

Palm Lane Global Academy (Palm Lane), formerly known as Palm Lane Elementary Charter, was established in 2017 under New Century Charter Public Schools (NCCPS) and operated for four years ending June 30, 2022. On May 11, 2022, VCPS, Inc. and NCCPS entered an agreement and Plan of Merger whereas NCCPS will cease and VCPS shall be the surviving corporation in the merger.

Palm Lane petitioned through Anaheim Elementary School District (the District) on October 2017 and approved subsequently based on Court Ruling. New Century Charter Public Schools has been selected by the Palm Lane Elementary School Lead Parents to operate their future charter school (Restart Model school) as determined by the Parent Empowerment Act. The Charter School approval is for five years ending June 30, 2023. Palm Lane Global Academy is located in Anaheim, California at 1646 West Palm Lane and serves approximately 280 students in transitional kindergarten through grade six.

**Vista Meridian Global Academy – Charter No. 2132**

Vista Meridian Global Academy (Meridian) was formed as a charter school pursuant to California Education Code Section 47600 under a charter agreement with the Orange County Department of Education. The charter agreement was entered into in 2022 for a five-year term beginning in 2023. Meridian is located at 2609 W. 5th Street, Santa Ana, California. Vista Meridian Global Academy opened in 2022 and currently serves approximately 240 students in grades nine through twelve.

**Vista Lago Global Academy – Charter No. 2152**

Vista Lago Global Academy (Lago) was formed as a charter school pursuant to California Education Code Section 47600 under a charter agreement with the Riverside County Department of Education. The charter agreement was entered into in 2024 expiring in 2029. Vista Lago Global Academy is located at 31360 Riverside Drive, Lake Elsinore, California. Vista Lago Global Academy will open August 11, 2025, and will serve students in transitional kindergarten through grade twelve.

*Effective July 1, 2021, 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, and 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. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.*

#### **Other Related Entities**

##### **2900 W. Temple, LLC**

In 2014, the Organization formed the 2900 W. Temple, LLC (the 2900 LLC) exclusively for charitable purpose solely related to property and assets of the Organization, for charitable purposes as specified in Section 501(c)(3) of the Internal Revenue Service. The Charter Schools make lease payments to the LLC, in accordance with the lease agreements. Vista Charter Public Schools, Inc. is the sole member of the 2900 LLC.

##### **2609 W. 5<sup>th</sup> Street, LLC**

In 2021, the Organization formed the 2609 W. 5<sup>th</sup> Street, LLC (the 2609 LLC) exclusively for charitable purpose solely related to property and assets of the Organization, for charitable purposes as specified in Section 501(c)(3) of the Internal Revenue Service. The Charter Schools make lease payments to the LLC, in accordance with the lease agreements. Vista Charter Public Schools, Inc. is the sole member of the 2609 LLC.

#### **Vista Charter Public Schools Foundation**

Vista Charter Public Schools Foundation (the Foundation) is organized for public and educational support purposes as specified in its Articles of Incorporation. It is not organized for the private gain of any one individual person. It is organized under the Nonprofit Corporation Law of California ("California Nonprofit Corporation Law") for public Purposes.

1. To support the charitable and educational mission of Vista Charter Public Schools, Inc., a California nonprofit, tax-exempt corporation, and any and all California public charter school that the Organization operates;
2. To undertake any and all additional activities as may be proper in connection with this corporation's specific purposes for which this corporation is formed, and which are exclusively charitable and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

The Foundation did not have any activity during the year ended June 30, 2025.

#### **Alliance of Schools for Cooperative Insurance Programs**

The Organization's charter schools are associated with the Alliance of Schools for Cooperative Insurance Programs (the JPA). The JPA does not meet the criteria for inclusion as a component unit of the Charter Schools. The JPA arranges for and provides various types of insurances for its member schools as requested. The JPA is governed by boards consisting of one or more representatives from each member. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member schools beyond their representation on the boards. Each member school pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. Information on JPAs financials can be obtained by contacting the JPA directly at 16550 Bloomfield Avenue, Cerritos, California, 90703. Organization's total expenses paid to the JPA for the year ended June 30, 2025, were \$360,425.

#### **El Dorado Charter Special Education Local Plan Area (SELPA)**

The Organization's Heritage, Condor, Meridian, Lago, and Palm Lane charter schools are associated with the El Dorado Charter SELPA (the SELPA). The SELPA does not meet the criteria for inclusion as a component unit of the Organization. The SELPA provided special education ancillary and/or related services. Total expenses for year ended June 30, 2025, were \$38,056.

#### **Los Angeles Unified School District Special Education Local Plan Area (SELPA)**

The Organization's Vista CMS and Horizon charter schools are associated with the Los Angeles Unified School District Special Education Local Plan Area (the SELPA). The SELPA does not meet the criteria for inclusion as a component unit of the Organization. The SELPA provided special education ancillary and/or related services. Total expenses for year ended June 30, 2025, were \$90,643.

#### **Basis of Accounting**

The accompanying consolidated financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

#### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The board of directors has designated \$8,185,471 in net assets without donor restrictions for categorical programs for the year ended June 30, 2025.

*Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have net assets with donor restrictions for the year ended June 30, 2025.

### **Cash and Cash Equivalents**

The Organization considers all cash including cash in the County Investment Pool and LLC investments and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### **Restricted Cash/Investments**

Restricted cash in the amount of \$7,584 represents the remaining balance of funds received which are limited in use for the payment of costs of constructing and operating new facilities resulting from proceeds of the Charter School Revenue Bonds. Non-current restricted investments in the amount of \$2,751,389 relates to the debt service reserve requirements related to the Charter School Revenue Bonds and is held as non-current to satisfy the long-term obligation.

### **Concentration of Credit Risk**

The Organization maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2025, the Organization had approximately \$13,150,000, in excess of FDIC-insured limits.

### **Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return/(loss) is reported in the consolidated statement of activities and consists of dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

### **Receivables and Credit Policies**

Receivables consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the Organization deems all amounts to be fully collectible. Substantially all outstanding receivables as of June 30, 2025 are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

### **Intra-Entity Transactions**

Intra-entity transactions results from a net cumulative difference between resources provided by the home office account to each charter school and reimbursement for those resources from each charter school to the home office account. Intra-entity transfers include certain costs of shared liabilities and shared assets between the Organization.

### **Property and Equipment**

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the consolidated statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

### **Right of Use Leased Assets and Liabilities**

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

### **Revenue and Revenue Recognition**

Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At June 30, 2025 the Organization did not have conditional contributions, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.



### **Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable approximation of the effective interest method. Debt issuance costs are included within bonds payable in the consolidated statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2025.

### **Functional Allocation of Expenses**

The consolidated financial statements report categories of expenses that are attributed to program service activities or supporting services activities such as management and general activities and fundraising and development activities. The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

### **Income Taxes**

The Organization including other related entities noted above, are organized as a California nonprofit corporation and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and qualifies for the charitable contribution deduction. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission.

### Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	Total
Cash and cash equivalents	\$ 14,891,427
Investments (short-term)	5,634,747
Accounts receivable	7,802,454
Total	<u>\$ 28,328,628</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Organization has committed lines of credit in the amount of \$5,000,000, which it could draw upon.

### **Note 3 - Fair Value Measurements and Disclosures**

The Organization has determined the fair value of certain assets in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets that can be accessed at the reporting date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset and market corroborated inputs. Level 3 inputs are unobservable inputs related to the asset. In these situations, inputs are developed using the best information in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to an entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of investments are classified within Level 1 because they are comprised of mutual funds with readily determinable fair values based on daily redemption values. Certain certificates of deposit are considered invested and traded in the financial markets. Those certificates of deposit, fixed income securities and other securities are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

Net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used to estimate the fair values of certain hedge funds, private equity funds, fund of funds, and limited partnerships which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy but are included in the table below to permit reconciliation to the accompanying consolidated statement of financial position.

The following table presents assets and liabilities measured at fair value on a recurring basis, as identified in the following, at June 30, 2025:

Investment Type	Fair Value Measurements at Report Date Using Quoted Prices in Active Markets for Identical Assets (Level 2)
U.S. Government obligations- Treasury Notes	\$ 6,933,726
U.S. Government obligations- Treasury Notes -Restricted	2,751,389
Total Investments	<u>\$ 9,685,115</u>

#### Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2025:

	Total
Land and land improvements	\$ 19,385,252
Buildings and Building Improvements	25,283,511
Leasehold improvements	187,979
Equipment, furniture and fixtures	788,104
Construction in progress	1,877,662
Subtotal	47,522,508
Less: accumulated depreciation	(2,217,910)
Total Property and Equipment	<u>\$ 45,304,598</u>

During the year ended June 30, 2025, the Charter Schools had \$121,673 charged for depreciation expense.

#### Note 5 - Long-Term Obligations

Long-term obligations for the year ended June 30, 2025, are summarized as follows:

	Balance at July 1, 2024	Additions	Deductions	Balance at June 30, 2025	Due in One Year
Bonds Payable	<u>\$ 48,628,380</u>	<u>-</u>	<u>470,000</u>	<u>\$ 48,158,380</u>	<u>\$ 700,000</u>

## Note 6 - Bonds Payable

### 2014 Bonds

In October 2014, the 2900 LLC entered into a loan agreement with the California Municipal Finance Authority for the issuance of \$7,075,000 in Charter Lease Revenue Bonds. The funds were used for financing the costs of acquisition of land and education and related facilities for use as a charter school facility located at 2900 W. Temple Street, Los Angeles, California. The charter school facilities are leased by Vista Charter Middle School.

The Series 2014 Charter School Lease Revenue Bonds were sold at an original issue discount of \$63,592, amounting to total bond proceeds, net of the original issue discount, of \$7,011,408. Terms of the bond call for principal and interest payments due for each year ending July 1.

Bond discount arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decreases the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the straight-line method.

The following bond was issued at a discount resulting in effective interest as follows:

#### 2014 Charter School Lease Revenue Bonds

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Par amount of bonds	\$ 7,075,000
Periods	30 years
Effective interest rate	3.70%

The Series 2014 Charter School Lease Revenue Bonds mature as follows:

Bond Component	Interest Rate	Amount	Maturity Date
2024 Tax-Exempt Term Bonds	5.000%	\$ 1,265,000	July 1, 2024
2029 Tax-Exempt Term Bonds	5.125%	\$ 930,000	July 1, 2029
2034 Tax-Exempt Term Bonds	5.375%	\$ 1,195,000	July 1, 2034
2038 Tax-Exempt Term Bonds	6.000%	\$ 1,225,000	July 1, 2038
2044 Tax-Exempt Term Bonds	6.000%	\$ 2,460,000	July 1, 2044

Future maturities of bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 175,000	\$ 335,472	\$ 510,472
2027	185,000	330,500	515,500
2028	195,000	324,775	519,775
2029	205,000	322,547	527,547
2030	215,000	301,500	516,500
Thereafter	4,835,000	2,258,617	7,093,617
Total future maturities	<u>\$ 5,810,000</u>	<u>\$ 3,873,411</u>	<u>\$ 9,683,411</u>

## 2021 Bonds

In October 2021, the 2609 LLC entered into a loan agreement with the California School Finance Authority for the issuance of \$41,695,000 in Charter Lease Revenue Bonds. The funds were used for financing the costs of acquisition of land and education and related facilities for use as a charter school facility located at 2609 W. 5<sup>th</sup> Street, Santa Ana, California. The charter school facilities are leased by Condor and Heritage.

The Series 2021 Charter School Lease Revenue Bonds were sold at an original issue premium of \$2,927,321, amounting to total bond proceeds, net of the original issue discount, of \$833,900. Terms of the bond call for principal and interest payments are due for each year ending July 1.

Bond discount arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decreases the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the straight-line method.

The following bond was issued at a discount resulting in effective interest as follows:

<b>2021 Charter School Lease Revenue Bonds</b>	
Par amount of bonds	\$ 41,695,000
Periods	40 years
Effective interest rate	4.00%

The Series 2021 Charter School Lease Revenue Bonds mature as follows:

Bond Component	Interest Rate	Amount	Maturity Date
2031 Tax-Exempt Term Bonds	4.000%	\$ 3,680,000	June 1, 2031
2041 Tax-Exempt Term Bonds	4.000%	\$ 7,970,000	June 1, 2041
2051 Tax-Exempt Term Bonds	4.000%	\$ 11,790,000	June 1, 2051
2061 Tax-Exempt Term Bonds	4.000%	\$ 17,455,000	June 1, 2061
2025 Tax-Exempt Term Bonds	3.750%	\$ 800,000	June 1, 2025

Future maturities of bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 525,000	\$ 1,627,800	\$ 2,152,800
2027	545,000	1,606,800	2,151,800
2028	565,000	1,585,000	2,150,000
2029	590,000	1,562,400	2,152,400
2030	615,000	1,537,800	2,152,800
Thereafter	38,055,000	28,865,000	66,920,000
Total future maturities	40,895,000	<u>\$ 36,784,800</u>	<u>\$ 77,679,800</u>
Premium and Discount	1,959,867		
Less cost of issuance	(506,487)		
Total Bond	<u>\$ 42,348,380</u>		

### Debt Service Coverage and Days Cash on Hand

Under the current bonding agreements, the Organization is required to maintain a Debt Service Coverage Ratio 1.20 and Cash Days on Hand of 45 days.

The Debt Service Coverage Ratio is calculated by dividing the consolidated Net Income Available for Debt Service by the Maximum Annual Debt Service for all outstanding indebtedness. As of June 30, 2025, the Organization had a 3.0 Debt Service Coverage Ratio and was in compliance with the 1.2 required ratio and cash on hand for 151 days meeting the required 45 days on hand.

	2024-25	2025-26	2026-27
Debt Service Coverage	Actual	Budget	Budget
Net Income	\$ 3,925,821	\$ 522,508	\$ 1,553,490
Depreciation and amortization	1,488,103	1,488,103	1,488,103
Rent	2,556,553	2,556,553	2,556,553
Income Available for Coverage	7,970,477	4,567,164	5,598,146
Debt Service for LLC	2,660,419	2,660,419	2,652,081

<b>Debt Service Coverage</b>	<b>3.00</b>	<b>1.72</b>	<b>2.11</b>
Limit	1.20	1.20	1.20
Compliance	Yes	Yes	Yes

	2024-25	2025-26	2026-27
Days Cash on Hand	Actual	Budget	Budget
Total Expenses	\$ 37,584,532	\$ 33,977,569	\$ 35,708,456
Depreciation and amortization	1,488,103	1,488,103	1,488,103
Cash Expenses	36,096,429	32,489,466	34,220,353
Expense/Day	98,894	89,012	93,754
Cash, cash equivalents, and restricted cash	14,899,011	9,427,040	14,216,139

<b>Days Cash on Hand</b>	<b>151</b>	<b>106</b>	<b>152</b>
Limit	45	45	45
Compliance	Yes	Yes	Yes



**Note 7 - Leases**

Vista Charter Public Schools, Inc. (the Organization) leases certain real property with 2900 LLC and 2609 LLC for the operation of charter schools with various terms under long-term, non-cancelable finance lease agreements. The leases expire at various dates through June 1, 2081; and provide for renewal options ranging from one year to seven years. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The agreements generally require the Organization to pay insurance and repairs. The Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Organization has real property short-term lease agreements for the year ended June 30, 2025. The Organization elected the practical expedient to not separate lease and non-lease components for real estate leases.

The Organization leases certain real property for the operations of the charter school and equipment at various terms under long-term non-cancelable finance lease agreements. The leases expire at various dates through 2058. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options are reasonably certain to be exercised. The Organization's operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the real property and equipment classes of assets.

The lease agreements also require the Organization to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2025, the Organization was in compliance with all ratios and covenants.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization elected the practical expedient to not separate lease and non-lease components for real property and equipment leases.

Total lease costs for the year ended June 30, 2025 were as follows:

Finance lease cost:	
Interest expense	\$ 1,846,120
Amortization of right-of-use assets	\$ 1,366,430

The following table summarizes the supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities	
Financing cash flows from finance leases	\$ 2,563,419
Right-of-use assets obtained in exchange for lease liabilities	
Finance leases 2900 LLC	\$ 5,162,805
Finance leases 2609 LLC	\$ 39,409,346

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted-average remaining lease term:	
Finance leases	34.0 Years
Weighted-average discount rate:	
Finance leases	3.75%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2025:

	<u>June 30, 2025</u>
	<u>Finance</u>
2026	\$ 2,652,081
2027	2,652,113
2028	2,650,831
2029	2,653,238
2030	2,654,131
Thereafter	<u>73,724,182</u>
Total lease payments	86,986,576
Less interest	<u>(37,961,236)</u>
Present value of lease liabilities	<u>\$ 49,025,340</u>

**Note 8 - Net Assets**

Net assets consist of the following at June 30, 2025:

Net Assets Without Donor Restrictions

Designated by the Board for categorical programs	\$ 8,185,471
Undesignated net assets	<u>19,056,990</u>
Total net assets without donor restrictions	<u>\$ 27,242,461</u>

**Note 9 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The Organization contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. If a participating employer stops contribution to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers as all plan assets are held by the plan and all benefit obligations are borne by the STRP.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The Organization contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

### Contributions

Required member, the Organization, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the Organization's total contributions were \$1,796,119.

## California Public Employees Retirement System (CalPERS)

### Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. If a participating employer stops contribution to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers as all plan assets are held by the plan and all benefit obligations are borne by the STRP.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

## **Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Organization is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total Organization's contributions were \$788,981.

## **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the Organization. These payments consist of State General Fund contributions to CalSTRS in the amount of \$937,504 (10.828% of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

## **Note 10 - Contingencies, Risks, and Uncertainties**

The Organization 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 disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

The Organization's credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

## **Note 11 - Related Party Transactions**

Related parties as defined by generally accepted accounting standards include: (1) Affiliates of the entity; (2) Management and members of their immediate families, or; (3) Other parties that can significantly influence management or operating policies.

The Charter Schools share the same Board of Directors. During the year, the Charter Schools have related transactions that are recorded in their respective related party accounts. At year end, the related party accounts are reconciled to ensure all transactions between the Charter Schools are properly recorded, and all intercompany related party accounts have been eliminated.

**Due To/From Related Entities**

Due to/from related entities at June 30, 2025, consisted of the following:

Due From	Due To
Lago	Palm Lane
Total Due From/To	\$ 357,234

**Note 12 - Subsequent Events**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements through December 12, 2025, which is the date the consolidated financial statements were issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year consolidated financial statements.

Supplementary Information

June 30, 2025

**Vista Charter Public Schools, Inc.**



Vista Charter Public Schools, Inc.  
Consolidated Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster			
Basic Local Assistance Entitlement	84.027	13379	\$ 418,115
Passed through California Department of Education (CDE)			
COVID-19 - Expanded Learning Opportunities (ELO)			
(ESSER III) State Reserve, Emergency Needs	84.425U	15620	68,765
COVID-19 - Expanded Learning Opportunities (ELO)			
(ESSER III) ESSER III State Reserve, Learning Loss	84.425U	15621	75,332
COVID-19 - Elementary and Secondary School Emergency			
Relief III (ESSER III) Fund	84.425U	15559	1,077,919
COVID-19 - Elementary and Secondary School Emergency			
Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	126,694
Subtotal			1,348,710
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	714,529
Title II, Part A, Supporting Effective Instruction	84.367	14341	77,995
Title III, English Learner Student Program	84.365	14346	94,919
Title III, Immigrant Student Program	84.365	15146	
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	59,323
Title IV, Part B - 21st Century Community Learning			
Centers Program	84.287	14349	45,516
Total U.S. Department of Education			2,759,107
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
School Breakfast Program Severe Need	10.553	13526	379,801
School Lunch Section 4	10.555	13523	888,743
School Lunch Section 11	10.555	13524	18,876
Meal Supplements	10.555	13755	44,748
Total Child Nutrition Cluster			1,332,168
Pandemic EBT Local Administrative Grant	10.649	15644	2,456
Federal Communications Commission (FCC)			
Emergency Connectivity Fund	32.009	[1]	67,304
Total Federal Financial Assistance			\$ 4,161,035

Vista Charter Public Schools, Inc.  
Schedule of Average Daily Attendance  
Year Ended June 30, 2025

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*Vista Charter Middle School*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
Regular ADA		
Sixth	88.79	89.77
Seventh and eighth	251.71	251.51
Total Regular ADA	<u>340.50</u>	<u>341.28</u>
Classroom based ADA		
Sixth	88.79	89.77
Seventh and eighth	251.71	251.51
Total Classroom Based ADA	<u>340.50</u>	<u>341.28</u>

*Vista Heritage Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
Regular ADA		
Sixth	106.68	107.50
Seventh and eighth	239.93	240.28
Total Regular ADA	<u>346.61</u>	<u>347.78</u>
Classroom based ADA		
Sixth	105.81	106.62
Seventh and eighth	238.62	238.94
Total Classroom Based ADA	<u>344.43</u>	<u>345.56</u>

The Organization operated a short-term independent study program.

Vista Charter Public Schools, Inc.  
Schedule of Average Daily Attendance  
Year Ended June 30, 2025

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*Vista Condor Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
Regular ADA		
Transitional kindergarten through third	202.93	204.09
Fourth and fifth	125.95	126.79
Total Regular ADA	<u>328.88</u>	<u>330.88</u>
Classroom based ADA		
Transitional kindergarten through third	202.48	203.60
Fourth and fifth	125.82	126.66
Total Classroom Based ADA	<u>328.30</u>	<u>330.26</u>

The Organization operated a short-term independent study program.

*Vista Horizon Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
Regular ADA		
Transitional kindergarten through third	102.06	102.54
Fourth and fifth	40.53	40.78
Total Regular ADA	<u>142.59</u>	<u>143.32</u>
Classroom based ADA		
Transitional kindergarten through third	102.06	102.54
Fourth and fifth	40.53	40.78
Total Classroom Based ADA	<u>142.59</u>	<u>143.32</u>

*Palm Lane Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
Regular ADA		
Transitional kindergarten through third	143.85	144.55
Fourth through sixth	120.23	119.84
Total Regular ADA	<u>264.08</u>	<u>264.39</u>
Classroom based ADA		
Transitional kindergarten through third	143.85	144.55
Fourth through sixth	120.23	119.84
Total Classroom Based ADA	<u>264.08</u>	<u>264.39</u>

*Vista Meridian Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
Regular ADA		
Ninth through twelfth	229.62	228.65
Total Regular ADA	<u>229.62</u>	<u>228.65</u>
Classroom based ADA		
Ninth through twelfth	228.58	227.60
Total Classroom Based ADA	<u>228.58</u>	<u>227.60</u>

The Organization operated a short-term independent study program.

*Vista Charter Middle School*

Grade Level	1986-87 Minutes Requirement	2024-2025 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Grades 6 - 8	54,000				
Grade 6		64,860	180	N/A	Complied
Grade 7		64,860	180	N/A	Complied
Grade 8		64,860	180	N/A	Complied

*Vista Heritage Global Academy*

Grade Level	1986-87 Minutes Requirement	2024-2025 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Grades 6 - 8	54,000				
Grade 6		62,537	180	N/A	Complied
Grade 7		62,537	180	N/A	Complied
Grade 8		62,537	180	N/A	Complied

*Vista Condor Global Academy*

Grade Level	1986-87 Minutes Requirement	2024-2025 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Transitional Kindergarten	36,000	57,635	180	N/A	Complied
Kindergarten		57,635	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		58,535	180	N/A	Complied
Grade 2		58,535	180	N/A	Complied
Grade 3		58,535	180	N/A	Complied
Grades 4 - 5	54,000				
Grade 4		58,535	180	N/A	Complied
Grade 5		58,535	180	N/A	Complied

*Vista Horizon Global Academy*

Grade Level	1986-87 Minutes Requirement	2024-2025 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Transitional Kindergarten	36,000	56,415	180	N/A	Complied
Kindergarten		56,415	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		56,415	180	N/A	Complied
Grade 2		56,415	180	N/A	Complied
Grade 3		56,415	180	N/A	Complied
Grades 4 - 5	54,000				
Grade 4		56,415	180	N/A	Complied
Grade 5		56,415	180	N/A	Complied

*Palm Lane Global Academy*

Grade Level	1986-87 Minutes Requirement	2024-2025 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Transitional Kindergarten	36,000	62,715	180	N/A	Complied
Kindergarten		62,715	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		64,860	180	N/A	Complied
Grade 2		64,860	180	N/A	Complied
Grade 3		64,860	180	N/A	Complied
Grades 4 - 5	54,000				
Grade 4		64,860	180	N/A	Complied
Grade 5		64,860	180	N/A	Complied
Grade 6		64,860	180	N/A	Complied

*Vista Meridian Global Academy*

Grade Level	1986-87 Minutes Requirement	2024-2025 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Grades 9 - 12	64,800				
Grade 9		66,500	180	N/A	Complied
Grade 10		66,500	180	N/A	Complied
Grade 11		66,500	180	N/A	Complied
Grade 12		66,500	180	N/A	Complied



Vista Charter Public Schools, Inc.  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
Year Ended June 30, 2025

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2025.

Vista Charter Public Schools, Inc.  
Consolidating Statement of Financial Position  
June 30, 2025

	Vista CMS	Heritage	Condor	Horizon	Palm Lane	Meridian	Lago	2900 LLC	2609 LLC	Eliminations	Total
<b>ASSETS</b>											
Current Assets											
Cash and cash equivalents	\$ 4,306,652	\$ 1,353,157	\$ 1,271,132	\$ 899,554	\$ 5,367,223	\$ 482,922	\$ 163,000	\$ 445,237	602,550	\$ -	\$ 14,891,427
Investments	2,149,204	215,138	1,721,232	258,217	1,290,956	-	-	-	-	-	5,634,747
Receivables	1,325,433	1,607,265	1,368,655	373,678	1,860,118	455,715	24	41,895	769,671	-	7,802,454
Intra-Entity receivable	-	-	-	-	357,234	-	-	-	-	(357,234)	-
Prepaid expenses	73,681	83,806	122,306	62,163	97,417	91,578	9,050	-	-	-	540,001
Total Current Assets	7,854,970	3,259,366	4,483,325	1,593,612	8,972,948	1,030,215	172,074	487,132	1,372,221	(357,234)	28,868,629
Non-Current Assets											
Restricted cash	-	-	-	-	-	-	-	1,644	5,940	-	7,584
Restricted investments	-	-	-	-	-	-	-	524,508	2,226,881	-	2,751,389
Investments	495,431	49,621	396,838	59,493	297,596	-	-	-	-	-	1,298,979
Security deposits	715,370	999,493	522,460	215,000	397,500	386,000	-	-	4,269,157	(4,057,561)	3,447,419
Sales-type lease receivable, net of current portion	-	-	-	-	-	-	-	5,932,044	37,199,523	(43,131,567)	-
Finance lease right-of-use asset	6,521,438	23,645,608	20,142,555	-	-	-	-	-	-	(50,309,601)	-
Finance lease right-of-use accumulated amortization	(1,358,633)	(2,364,561)	(2,014,256)	-	-	-	-	-	-	5,737,450	-
Property and equipment	1,980,047	829,991	430,188	51,452	83,742	105,200	192,469	6,508,414	37,341,005	-	47,522,508
Less: accumulated depreciation	(506,330)	(411,040)	(175,189)	(9,151)	-	(2,720)	-	(589,394)	(524,086)	-	(2,217,910)
Total Non-Current Assets	7,847,323	22,749,112	19,302,596	316,794	778,838	488,480	192,469	12,377,216	80,518,420	(91,761,279)	52,809,969
Total Assets	\$ 15,702,293	\$ 26,008,478	\$ 23,785,921	\$ 1,910,406	\$ 9,751,786	\$ 1,518,695	\$ 364,543	\$ 12,864,348	\$ 81,890,641	\$ (92,118,513)	\$ 81,678,598
<b>LIABILITIES</b>											
Current Liabilities											
Payables	\$ 841,374	\$ 415,750	\$ 468,476	\$ 212,395	\$ 427,113	\$ 558,685	\$ 117,250	\$ -	\$ (293,839)	\$ -	\$ 2,747,204
Interest payable	-	-	-	-	-	-	-	166,498	-	-	166,498
Deferred gain on sales-type lease	-	-	-	-	-	-	-	5,919,020	36,816,919	(42,735,939)	-
Refundable advances	503,648	249,845	254,610	82,621	252,945	20,386	-	-	2,000,000	-	3,364,055
Intra-Entity payable	-	-	-	-	-	-	357,234	-	-	(357,234)	-
Current portion of bonds payable	-	-	-	-	-	-	-	175,000	525,000	-	700,000
Current portion of finance lease liability	176,590	333,140	283,785	-	-	-	-	-	-	(793,515)	-
Total Current Liabilities	1,521,612	998,735	1,006,871	295,016	680,058	579,071	474,484	6,260,518	39,048,080	(43,886,688)	6,977,757
Long-Term Obligations											
Non-current portion of bonds payable	-	-	-	-	-	-	-	5,635,000	41,823,380	-	47,458,380
Finance lease payable	5,584,674	23,029,461	19,617,690	-	-	-	-	-	-	(48,231,825)	-
Total Liabilities	7,106,286	24,028,196	20,624,561	295,016	680,058	579,071	474,484	11,895,518	80,871,460	(92,118,513)	54,436,137
<b>NET ASSETS</b>											
Without Donor Restrictions											
Designated	1,596,244	1,916,279	1,809,310	887,173	1,939,268	37,197	-	-	-	-	8,185,471
Undesignated	6,999,763	64,003	1,352,050	728,217	7,132,460	902,427	(109,941)	968,830	1,019,181	-	19,056,990
Net Assets	8,596,007	1,980,282	3,161,360	1,615,390	9,071,728	939,624	(109,941)	968,830	1,019,181	-	27,242,461
Total Liabilities and Net Assets	\$ 15,702,293	\$ 26,008,478	\$ 23,785,921	\$ 1,910,406	\$ 9,751,786	\$ 1,518,695	\$ 364,543	\$ 12,864,348	\$ 81,890,641	\$ (92,118,513)	\$ 81,678,598

Vista Charter Public Schools, Inc.  
Consolidating Statement of Activities  
Year Ended June 30, 2025

	Vista CMS	Heritage	Condor	Horizon	Palm Lane	Meridian	Lago	2900 LLC	2609 LLC	Eliminations	Total
<b>REVENUES</b>											
Local Control Funding Formula											
State apportionment	\$ 3,720,425	\$ 3,402,267	\$ 3,443,695	\$ 1,575,939	\$ 1,930,546	\$ 4,031,584	\$ -	\$ -	\$ -	\$ -	\$ 18,104,456
In-lieu property taxes	1,436,719	1,651,524	1,567,044	601,650	2,030,131	-	-	-	-	-	7,287,068
Federal revenue	1,194,232	846,077	838,098	250,766	812,321	219,541	-	-	-	-	4,161,035
Other State revenue	1,364,302	1,986,362	2,111,502	532,803	1,287,396	2,221,879	-	-	-	-	9,504,244
Local revenue	357,798	238,000	52,569	155,571	58,852	45,772	-	11,114	74,983	-	994,659
Employee retention credit	264,249	202,288	141,235	46,244	139,972	-	-	-	-	-	793,988
Interest income	150,519	62,269	131,284	22,182	59,344	41,974	-	16	118,508	-	586,096
Gain or loss on investments-net	24,042	2,453	19,626	2,944	14,720	-	-	-	-	-	63,785
Rental income	-	-	-	-	-	-	-	502,827	2,053,726	(2,556,553)	-
School Site Fundraising	15,022	-	-	-	-	-	-	-	-	-	15,022
Total Revenues	8,527,308	8,391,240	8,305,053	3,188,099	6,333,282	6,560,750	-	513,957	2,247,217	(2,556,553)	41,510,353
<b>EXPENSES</b>											
Program Services	6,047,057	5,282,349	5,442,437	2,321,999	4,163,870	4,334,137	90,425	-	-	(2,019,677)	25,662,598
Management and General	2,106,618	2,715,214	2,805,184	612,571	966,203	1,053,086	19,516	332,994	1,847,425	(536,876)	11,921,934
Total Expenses	8,153,675	7,997,563	8,247,621	2,934,570	5,130,073	5,387,223	109,941	332,994	1,847,425	(2,556,553)	37,584,532
<b>CHANGE IN NET ASSETS</b>	373,633	393,677	57,432	253,529	1,203,209	1,173,527	(109,941)	180,963	399,792	-	3,925,821
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	8,222,374	1,586,605	3,103,928	1,361,861	7,868,519	(233,903)	-	787,867	619,389	-	23,316,640
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ 8,596,007	\$ 1,980,282	\$ 3,161,360	\$ 1,615,390	\$ 9,071,728	\$ 939,624	\$ (109,941)	\$ 968,830	\$ 1,019,181	\$ -	\$ 27,242,461

## **Note 1 - Purpose of Supplementary Schedules**

### **Consolidated Schedule of Expenditures of Federal Awards**

#### Basis of Presentation

The accompanying consolidated Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2025. The information 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). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

The Organization does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

#### Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the Organization had no food commodities in inventory.

### **Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Organization. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students at the Organization.

### **Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization complied with the provisions of *Education Code* Sections 47612 and 47612.5, if applicable.

The Organization must maintain their instructional minutes at the 1986-87 requirements, as required by *California Education Code* Section 47612.5.

### **Reconciliation of Annual Financial Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the net assets reported on the unaudited actual financial report to the audited financial statements.

### **Consolidating Statement of Financial Position and Consolidating Statement of Activities**

The consolidating statement of financial position and consolidating statement of activities report the activities of the Organization and related entities and are presented on the accrual basis of accounting. Eliminating entries in the consolidating statement of financial position and consolidating statement of activities are for activities between the Organization and related entities.

Other Information

June 30, 2025

**Vista Charter Public Schools, Inc.**

## ORGANIZATION

Vista Charter Public Schools, Inc. (the Organization) was established in 2007. The Organization operates six charter schools: Vista Charter Middle School (Charter No. 1234) expires June 30, 2028, and Vista Horizon Global Academy (Charter No. 2043) expires June 30, 2027, each authorized by the Los Angeles Unified School District. Vista Heritage Global Academy (Charter No. 1752) expires June 30, 2028, Vista Condor Global Academy (Charter No. 1930) expires June 30, 2026, each authorized by Orange County Department of Education, Palm Lane Global Academy (Charter No. 1932) expires June 30, 2026, authorized by Anaheim Elementary School District, and Vista Meridian Global Academy (Charter No. 2132) expires on June 30, 2028, authorized by Orange County Department of Education.

*Effective July 1, 2021, 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, and 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. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.*

The Board of Directors as of June 30, 2025, were as follows:

## BOARD OF DIRECTORS

<u>MEMBER</u>	<u>OFFICE</u>	<u>FOUR-YEAR TERM EXPIRES</u>
Miles Durfee	President	June 30, 2026
Michael Hoover	Vice President	June 30, 2026
Tuan Pham	Treasurer	June 30, 2026
Kelley Le	Member	June 30, 2026
Geronimo Gaytan	Member	June 30, 2026

The Administration as of June 30, 2025, were as follows:

**ADMINISTRATION**

Dr. Collin Felch	Superintendent
Karen Amaya	Assistant Superintendent
Anabelle Medina	Business & HR Manager
Erika Najera	Director of SPED and Pupil Services
Daniel Sommer	Principal, Vista Charter Middle School
Enock Benavides	Principal, Vista Horizon Global Academy
Roxanne Allessandro	Principal, Vista Condor Global Academy and Vista Heritage Global Academy
Debby Prado	Principal, Palm Lane Global Academy
Jay Proano	Principal, Vista Meridian Global Academy
Daniela Perez-Carrillo	Principal, Vista Lago Global Academy



Independent Auditor's Reports  
June 30, 2025

**Vista Charter Public Schools, Inc.**



**Independent Auditor's 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***

Governing Board  
Vista Charter Public Schools, Inc.  
Los Angeles, California

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Vista Charter Public Schools, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated December 12, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated 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 consolidated 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 consolidated 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 consolidated 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.

A handwritten signature in black ink that reads "Silva + Silva CPAs". The signature is written in a cursive, flowing style.

Brea, California  
December 12, 2025



## **Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

Governing Board  
Vista Charter Public Schools, Inc.  
Los Angeles, California

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Vista Charter Public Schools, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's 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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Brea, California  
December 12, 2025



## **Independent Auditor's Report on State Compliance and on Internal Control Over Compliance**

Governing Board  
Vista Charter Public Schools, Inc.  
Los Angeles, California

### **Report on Compliance**

#### ***Opinion on State Compliance***

We have audited Vista Charter Public Schools, Inc.'s (the Organization) compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the Organization's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 opinion. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state 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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

<u>2024-2025 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Not Applicable
Teacher Certification and Misassignments	Not Applicable
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Not Applicable
Instructional Materials	Not Applicable
Ratio of Administrative Employees to Teachers	Not Applicable
Classroom Teacher Salaries	Not Applicable
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Not Applicable
School Accountability Report Card	Not Applicable
Juvenile Court Schools	Not Applicable



Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Not Applicable
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Not Applicable

SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND  
CHARTER SCHOOLS

Proposition 28 Arts and Music in Schools	Yes
After School Education and Safety Program	
General Requirements	Yes
After School	Yes
Before School	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness Grant	Not Applicable
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes

CHARTER SCHOOLS

Attendance	Yes
Mode of Instruction	Yes
Non-Classroom-Based Instruction/Independent Study for Charter Schools	Yes
Determination of Funding for Non-Classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

The term “Not Applicable” above indicates that either the Organization did not offer the program during the current fiscal year, did not participate in it, or that the program is intended for a different type of local education agency.

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Brea, California  
December 12, 2025

Schedule of Findings and Questioned Costs  
June 30, 2025

**Vista Charter Public Schools, Inc.**

**Consolidated Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to consolidated financial statements noted?	No

**Federal Awards**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing Number</u>
COVID-19 Education Stabilization Fund	84.425U
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

**State Compliance**

Internal control over state compliance for programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.